

A woman wearing a white hard hat with 'CPDS' and 'SAFETY' logos, safety glasses, and a high-visibility yellow safety vest is working on a wind turbine tower. She is holding a tool and looking to the right. The background shows a blurred view of wind turbines under a clear sky.

2021 Third Quarter Review

Nov. 3, 2021



Forward-Looking Statements

COMPANY INFORMATION

Black Hills Corporation

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This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. This includes, without limitations, our 2021 and 2022 earnings guidance and long-term growth targets. These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in Item 1A of Part I of our 2020 Annual Report on Form 10-K and other reports that we file with the SEC from time to time, and the following:

- The accuracy of our assumptions on which our earnings guidance and growth targets are based;
- Our ability to obtain adequate cost recovery for our utility operations through regulatory proceedings and favorable rulings on periodic applications to recover costs for capital additions, plant retirements and decommissioning, fuel, transmission, purchased power and other operating costs, and the timing in which new rates would go into effect;
- Our ability to complete our capital program in a cost-effective and timely manner;
- Our ability to execute on our strategy;
- Our ability to successfully execute our financing plans;
- Our ability to achieve our greenhouse gas emissions intensity reduction goals;
- Board of Directors’ approval of any future quarterly dividends;
- The impact of future governmental regulation;
- The effects of inflation and volatile energy prices; and
- Other factors discussed from time to time in our filings with the SEC.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time-to-time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

Third Quarter 2021 Review



READY TO SERVE

We take a programmatic approach to maintaining, upgrading and replacing critical infrastructure to better serve our customers and communities.

Delivering Results



Strong financial performance



51 consecutive annual dividend increases



Operational excellence



Regulatory achievement and progress



Resiliency, efficiency and growth development



Enhanced ESG reporting



Financial Outlook

2021

Narrowed EPS guidance to \$3.85 to \$4.00 (from \$3.80 to \$4.00)

2022

Reaffirmed EPS guidance of \$3.95 to \$4.15

2023-2025



5% to 7% long-term EPS growth target*

Dividend

5%+ annual growth rate target through 2025

* 2023 to 2025 compound annual growth rate, off 2022 base





Regulatory Activity

Rate Review Jurisdiction	Filing Date	Annual Revenue Increase	ROE	Debt / Equity	Comments / Status
 Colorado Gas Proceeding 21AL-0236G	June 1, 2021	\$6.49 million	9.20%	49.74% / 50.26%	Settlement agreement reached for new rates effective Jan. 1, 2022
 Kansas Gas Docket 21-BHCG-418-RTS	May 7, 2021	Global Settlement			Settlement agreement reached for renewal of 5-year investment rider; net neutral base rate impact for customers
Iowa Gas Docket RPU-2021-002	June 1, 2021	\$8.3 million *	10.15% *	49.99% / 50.01% *	Interim rates effective June 11 with settlement discussions underway; seeking final rates in Q1 2022

Winter Storm Uri Incremental Cost Recovery Jurisdiction

Recovery Period

Comments / Status

Arkansas Gas	5 years *	Recovery plan filed; interim rates effective June 1
Colorado Gas	3 years *	Recovery plan filed
Colorado Electric	2 years *	Settlement discussions underway
Iowa Gas	3 years *	Recovery plan filed; interim rates effective April 9
Kansas Gas	5 years *	Settlement discussions underway
 Nebraska Gas	3 years	Approved; rates effective July 1
 South Dakota Electric	1 year	Approved; rates effective June 1
 Wyoming Gas	3 years	Settlement agreement reached for rates effective Jan. 1, 2022
 Wyoming Electric	1 year	Recovery through normal energy cost adjustment

* As requested in filing

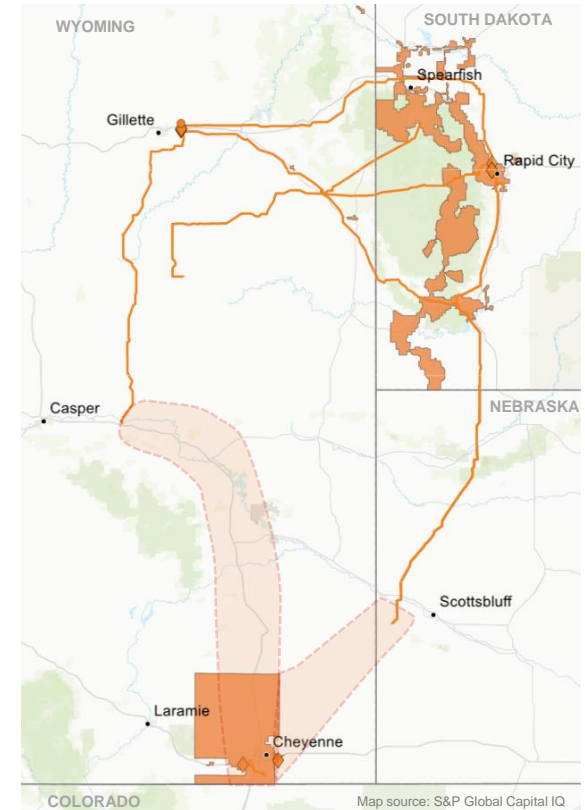
Ready Wyoming

285-mile electric transmission project to further interconnect and expand our Wyoming Electric system

- Q1 2022 – filing for approval of multi-phase construction project to commence in early 2023

Long-term benefits for our customers, communities and shareholders

- Resiliency – expanded access to greater diversity of resources
- Optionality – expanded access to power markets
- Growth – attract and enable customer solutions such as serving data centers, blockchain and economic growth in Wyoming
- Cleaner profile – expanded access to renewable resources and facilitating additional renewable development across wind- and sun-rich resource area with strong natural gas optionality to back up renewables



- Black Hills' SD/WY and Cheyenne electric system and service area
- Proposed transmission lines

Disciplined Growth Plan with Upside



Capital Forecast

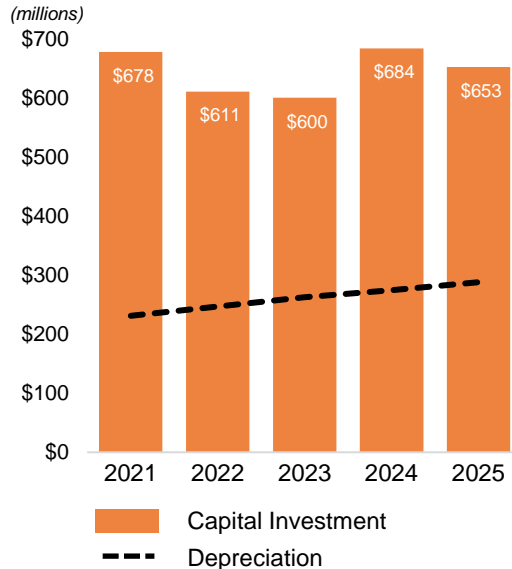


Incremental Projects



Other Earnings Drivers

\$600+ million annual investment; \$3.2+ billion 2021-2025



- ▲ Electric generation and transmission projects
- ▲ Large natural gas pipeline and storage projects
- ▲ Additional long-term investment programs
- ▲ Investments to comply with safety requirements

Pursuing Profitable Growth

- ▲ Data center, blockchain and technology growth
- ▲ Population migration into our territories
- ▲ Innovative solutions, products and technologies, including renewables
- ▲ Cost discipline and focus on continuous improvement

Responsibly Reducing GHG Emissions

Integrating Renewables and Delivering Cleaner Critical Generating Capacity

Electric Operations

Since 2005:

✓ 30% by 2020

- ✓ Retired 123.3 megawatts of coal generation
- ✓ Added 281.5 megawatts of owned renewable wind resources

■ 40% by 2030

- Convert 90-megawatt coal plant to gas at end of engineered life (*Neil Simpson II in 2025*)
- Add renewable and battery resources (*200MW PPA to be added in CO by 2024*)

■ 70% by 2040

- Convert or replace remaining coal plants at end of engineered lives (*see footnote below*)
- Add renewable and battery resources

Natural Gas Utilities

Since 2005:

✓ 33% by 2020

- ✓ Replaced at-risk and aging pipeline materials



■ 50% by 2035

- Replacing at-risk and aging pipeline materials
- Develop and integrate RNG opportunities, integrate leak detection and emissions reduction technologies and processes

Read more about our sustainability progress and commitments at:

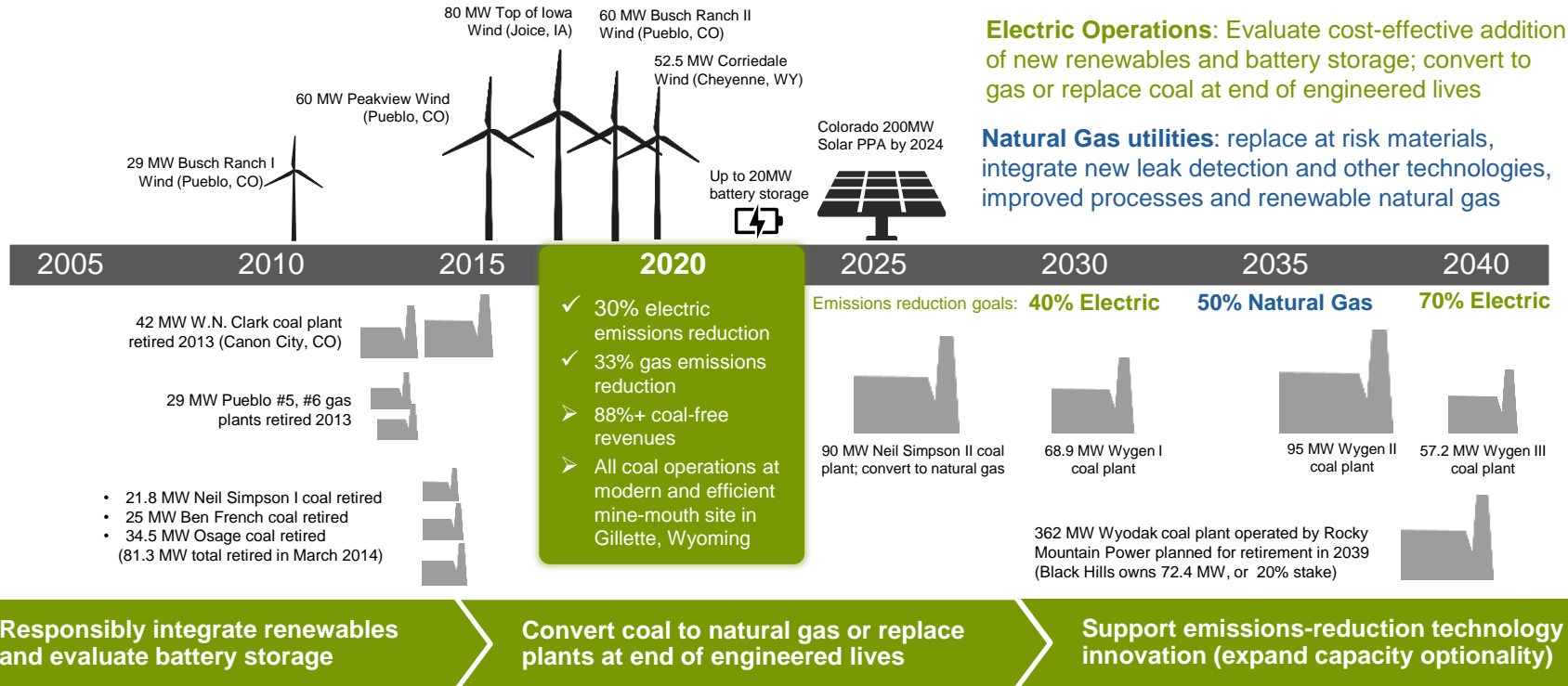
www.blackhillsenergy.com/sustainability

- ✓ **New** SASB disclosures
- ✓ **New** NCSI disclosures
- ✓ 2020 AGA and EEI quantitative reports
- ✓ 2020 Corporate Sustainability Report

Note: Goals are based on reduction in greenhouse gas emissions intensity since 2005. Achievement of these goals assumes coal plant operation through original engineered life with conversion to natural gas based on current costs and feasibility of other alternatives. Actual emission reductions and plant alternatives are subject to change with advancement of emissions reduction technologies.

Responsibly Reducing GHG Emissions

Integrating Renewables and Delivering Cleaner Critical Generating Capacity



Electric Operations: Evaluate cost-effective addition of new renewables and battery storage; convert to gas or replace coal at end of engineered lives

Natural Gas utilities: replace at risk materials, integrate new leak detection and other technologies, improved processes and renewable natural gas

Note: Goals are based on reduction in greenhouse gas emissions intensity since 2005. Achievement of these goals assumes coal plant operation through original engineered life with conversion to natural gas based on current costs and feasibility of other alternatives. Actual emission reductions and plant alternatives are subject to change with advancement of emissions reduction technologies.

Operational Excellence

⚠️ Safety-Focused Team

OSHA awarded coveted VPP Star Status, its highest worksite safety status, to Cheyenne Prairie Generating Station



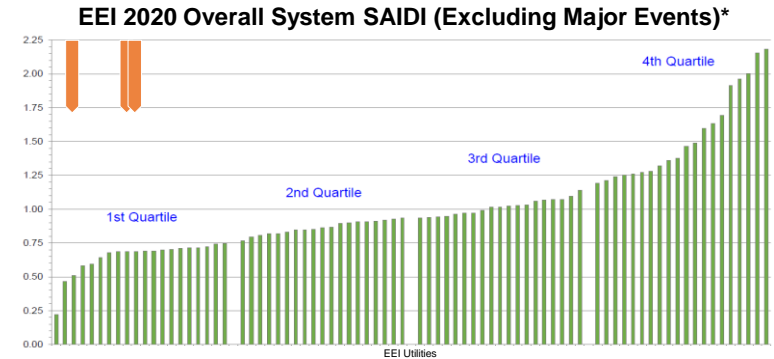
Cheyenne Prairie Generating Station team members proudly display the VPP (Voluntary Protection Program) Star Status banner. Achieving VPP Star Status requires a rigorous, multi-year audit and approval process to be recognized as exemplary leaders in safety. This includes demonstrating a clear focus on both prevention of hazards and continuous improvement of safety and health management systems.

🔍 Positive Customer Experience

- Black Hills' natural gas utility in South Region achieved second overall JD Power ranking, top Safety and Billing & Payment rankings and highest increase in overall satisfaction year-over-year
- Net promoter score improvement; 64 year-to-date versus 42 in 2017

»» Industry-Leading Reliability

All three electric utilities achieved SAIDI outage results better than 55 minutes in 2020 (top-quartile)



Great Workplace



Achiever's 50 Most Engaged Workplaces®
(second consecutive year)

Veteran-Friendly Employer of the Year
(2021 Wyoming Safety and Workforce Summit)

Strong employee engagement survey scores in 2021
particularly in safety, values and management effectiveness
(Third-party anonymous survey as compared to peers)

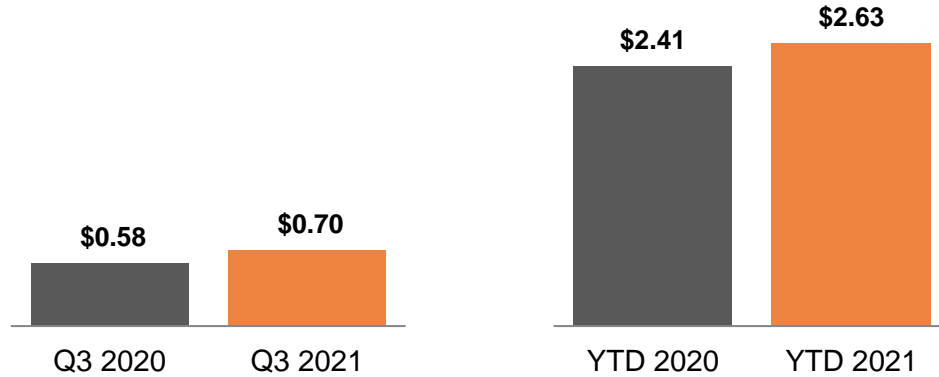
Financial Overview



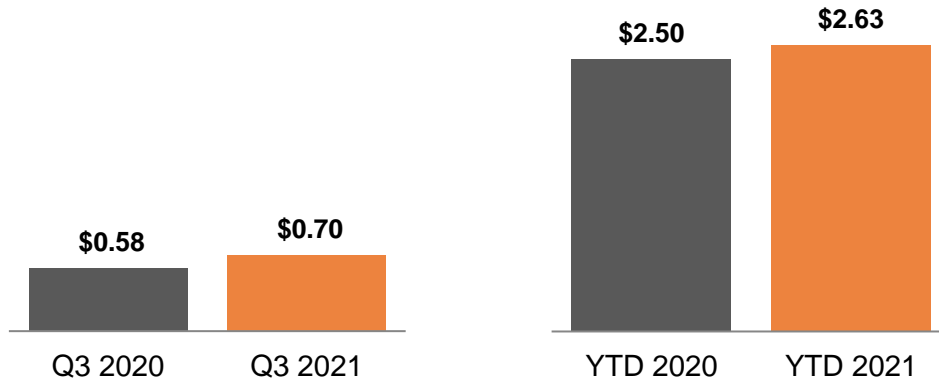
Safety is one of our values and a top priority in all we do.

Q3 2021 Financial Review

**EPS available for
common stock
(GAAP)**



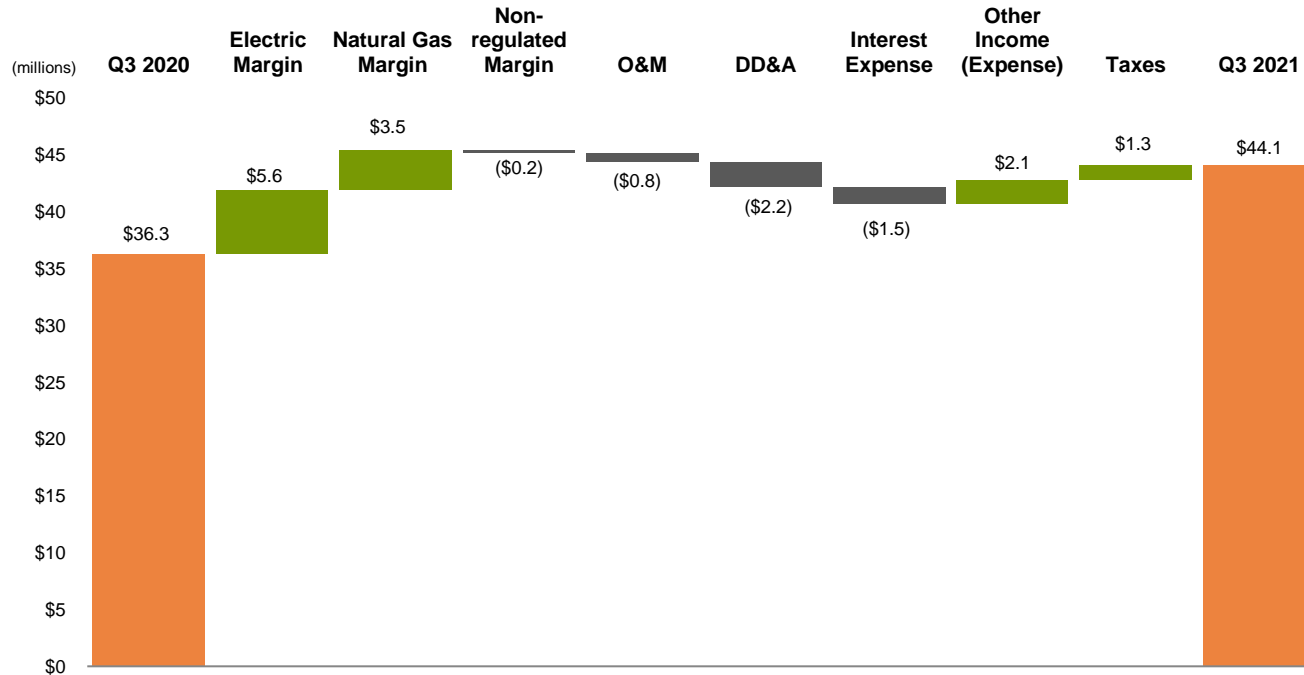
**EPS, as adjusted
(Non-GAAP)***



* EPS, as adjusted is a non-GAAP measure which is reconciled to GAAP in the Appendix

Q3 2021 Earnings Drivers

Change in Net Income Available for Common Stock



- ▲ New rates
- ▲ Customer growth and usage
- ▲ Mark-to-market gains ¹
- ▲ Prior year COVID-19 impacts
- ▲ Lower non-service pension and benefit plan costs
- ▼ Higher depreciation on larger asset base
- ▼ Higher debt balance
- ▼ Weather ²

¹ Mark-to-market gains were \$0.08 in EPS for Q3 2021, which was a \$0.08 favorable variance compared to Q3 2020

² Weather was comparable to normal but a negative EPS impact of (\$0.05) versus Q3 2020

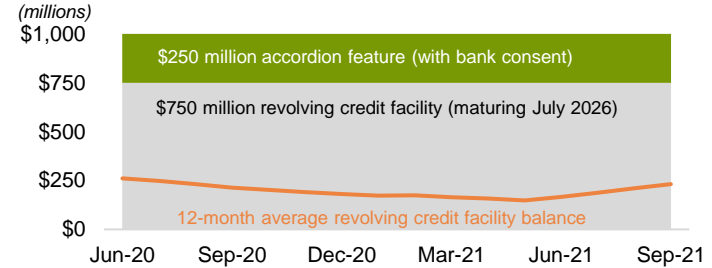
Solid Financial Position

Committed to Strong Investment-Grade Credit Ratings

Credit Ratings

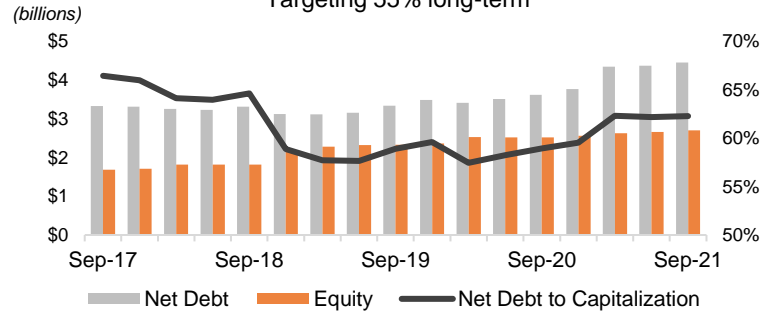
S&P	Moody's	Fitch
BBB+	Baa2	BBB+
Stable outlook (April 10, 2020)	Stable outlook (Dec. 21, 2020)	Stable outlook (Sept. 17, 2021)

Liquidity



Capital Structure *

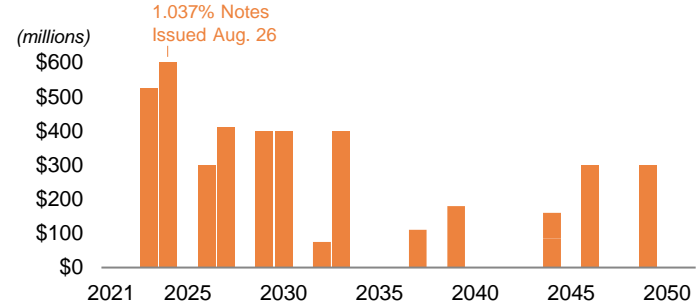
Targeting 55% long-term



Note: information as of Sept. 30, 2021

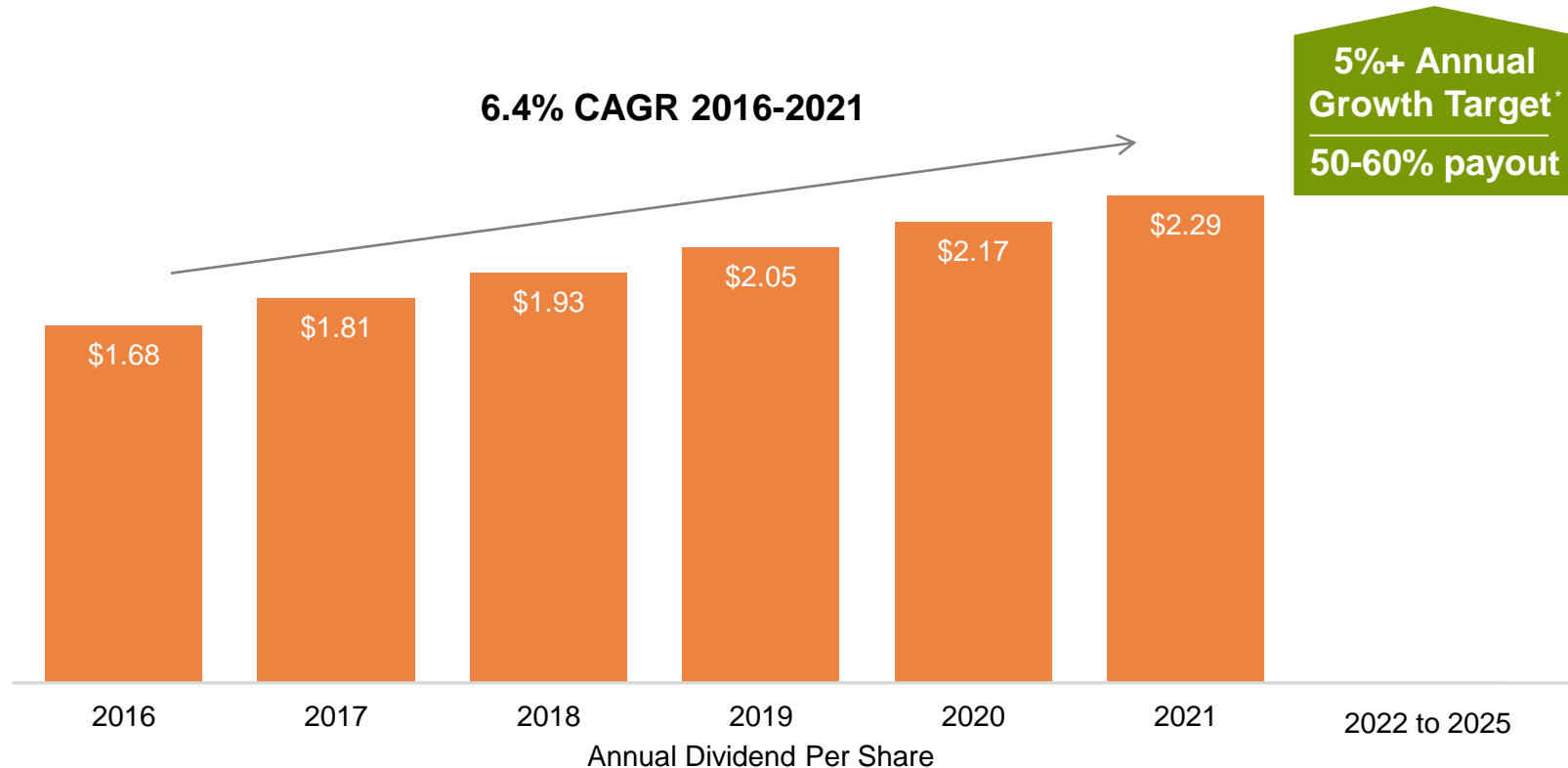
* Excludes noncontrolling interest

Debt Maturities



Strong Dividend Track Record

51 Consecutive Years of Annual Increases and 79 Consecutive Years Paid



* Future dividends subject to board approval; on Oct. 26, the board approved an increase of 5.3% in the quarterly dividend

Integrated Utility with Strong Growth Outlook

\$3.2+ billion

Capital Investment 2021-2025

- Incremental projects likely
- Additional growth opportunities

5% to 7%

Long-term EPS growth target¹

5%+

Annual dividend growth target²

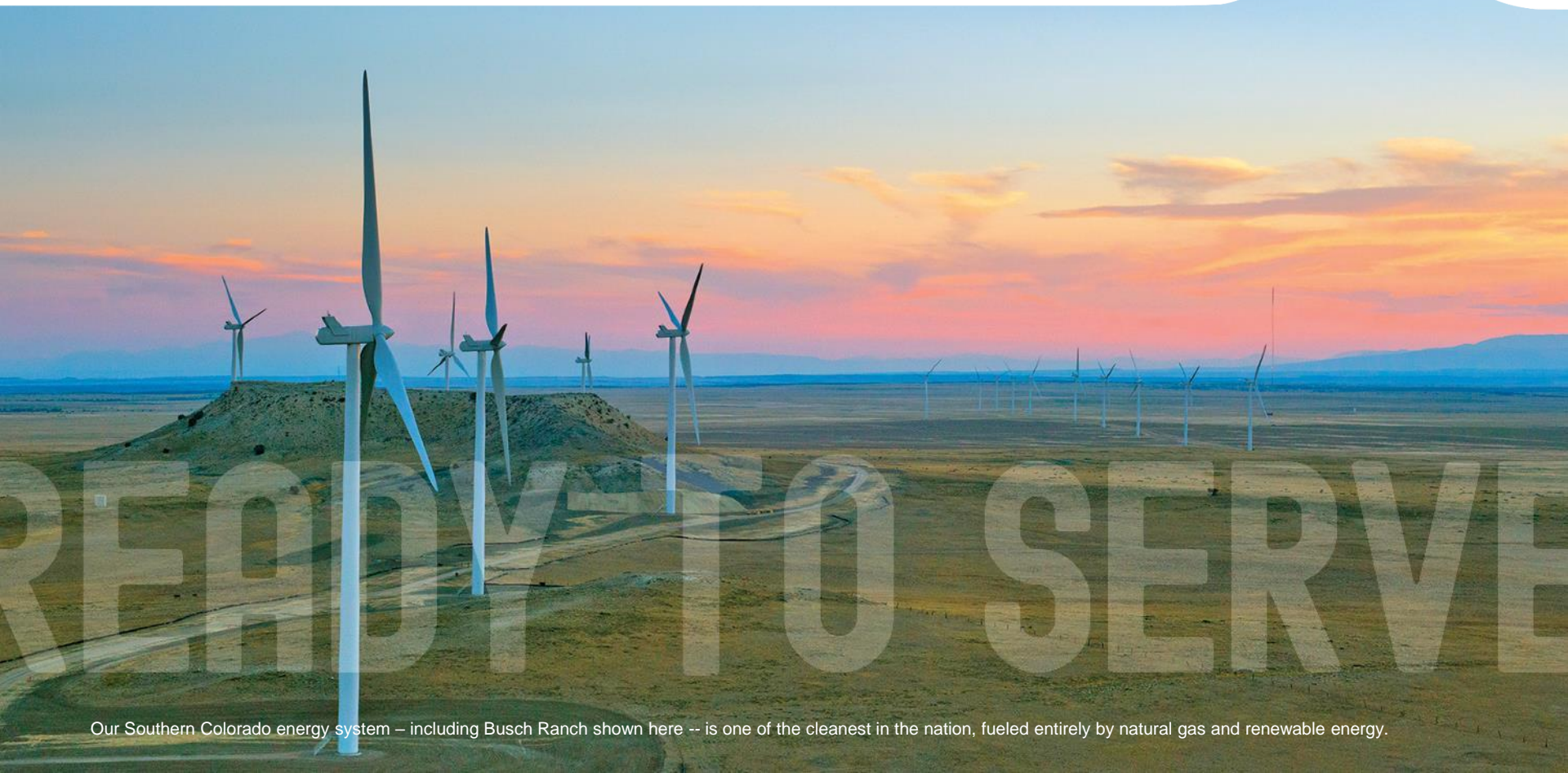
50-60% payout target

- Integrated pure-play utility
- Diversified and complementary electric and gas mix
- Stable, growing and constructive service territories
- Strong financial position and liquidity
- Robust capital plan with timely recovery

¹ 2023 to 2025 compound annual growth rate, off 2022 base

² Future dividends subject to board approval

Appendix



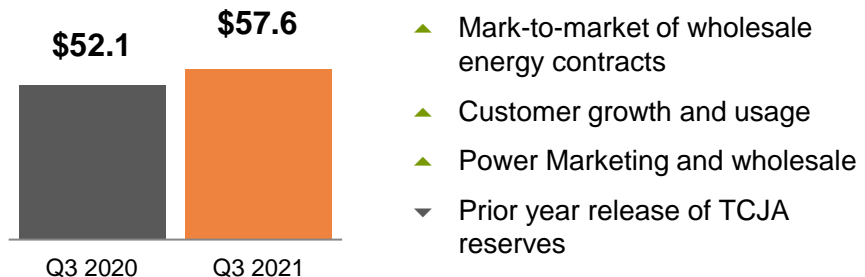
READY TO SERVE

Our Southern Colorado energy system – including Busch Ranch shown here -- is one of the cleanest in the nation, fueled entirely by natural gas and renewable energy.

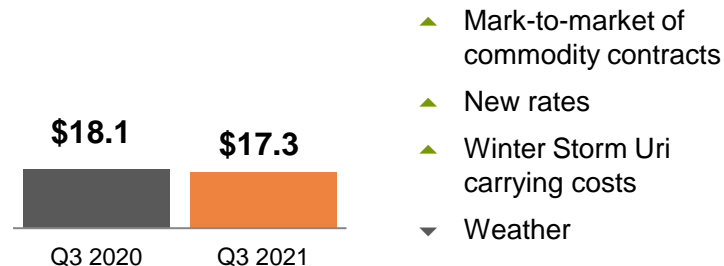
Performance by Segment

(Operating Income in millions)

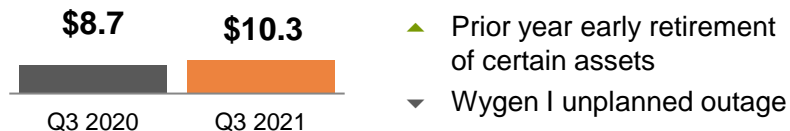
Electric Utilities



Gas Utilities



Power Generation*



Mining



* Power Generation includes 100% of Colorado IPP operations; financial results for the 49.9% minority owner of COIPP reflected through a reduction to net income attributable to noncontrolling interest

Income Statement

(in millions, except earnings per share)

	Third Quarter		Year to Date	
	2020	2021	2020	2021
Revenue	\$ 346.6	\$ 380.6	\$ 1,210.6	\$ 1,386.6
Gross margin* (non-GAAP)	274.9	286.5	879.4	890.9
Operations and maintenance expense	(136.3)	(137.5)	(407.6)	(420.6)
Depreciation, depletion and amortization	(56.3)	(59.2)	(169.4)	(174.9)
Operating income	82.2	89.9	302.4	295.5
Interest expense, net	(36.0)	(38.0)	(107.0)	(113.8)
Impairment of investment	-	-	(6.9)	-
Other income (expense), net	(1.2)	1.6	(0.7)	1.6
Income before taxes	45.0	53.5	187.8	183.3
Income tax (expense)	(4.7)	(5.3)	(25.5)	(6.3)
Net income before non-controlling interest	\$ 40.3	\$ 48.2	\$ 162.3	\$ 176.9
Net income attributable to non-controlling interest	(4.1)	(4.1)	(11.8)	(11.3)
Net income available to common stock	\$ 36.3	\$ 44.1	\$ 150.4	\$ 165.6
Non-GAAP adjustments	-	-	5.3	-
Net income available to common stock, as adjusted *	\$ 36.3	\$ 44.1	\$ 155.7	\$ 165.6
EPS - Net income available for common stock	\$ 0.58	\$ 0.70	\$ 2.41	\$ 2.63
EPS - Net income available for common stock, as adjusted *	\$ 0.58	\$ 0.70	\$ 2.50	\$ 2.63
Diluted shares outstanding	62.6	63.4	62.4	63.0
EBITDA, as adjusted*	\$ 137.4	\$ 150.6	\$ 471.1	\$ 472.0

* Non-GAAP measure; defined and/or reconciled to GAAP on slides 30-34

Capital Structure

(\$ in millions)

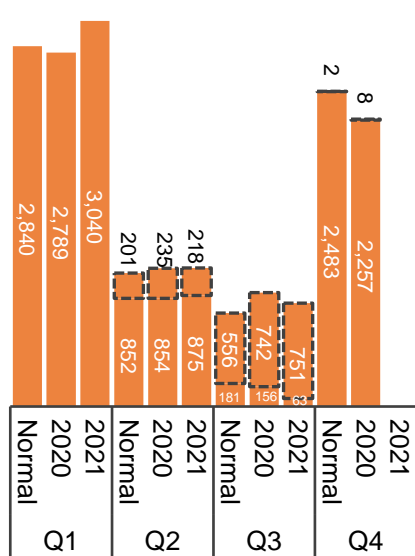
	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
Capitalization					
Short-term Debt	\$ 94	\$ 243	\$ 823	\$ 837	\$ 333
Long-term Debt	3,527	3,528	3,529	3,530	4,126
Total Debt	3,621	3,771	4,352	4,367	4,458
Equity*	2,519	2,561	2,625	2,659	2,698
Total Capitalization	\$ 6,140	\$ 6,332	\$ 6,977	\$ 7,026	\$ 7,156
Net Debt to Net Capitalization					
Debt	\$ 3,621	\$ 3,771	\$ 4,352	\$ 4,367	\$ 4,458
Cash and Cash Equivalents	(7)	(6)	(13)	(1)	(10)
Net Debt	3,614	3,764	4,339	4,366	4,448
Net Capitalization	\$ 6,133	\$ 6,326	\$ 6,963	\$ 7,025	\$ 7,145
Debt to Capitalization	59.0%	59.5%	62.4%	62.2%	62.3%
Net Debt to Capitalization (Net of Cash)	58.9%	59.5%	62.3%	62.1%	62.2%
Long-term Debt to Total Debt	97.4%	93.6%	81.1%	80.8%	92.5%

* Excludes noncontrolling interest

Utility Weather and Demand

Electric Degree Days

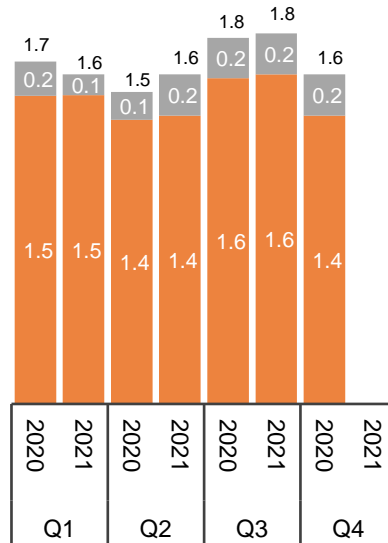
Total for all electric service areas weighted by customer count



Electric Utility Total

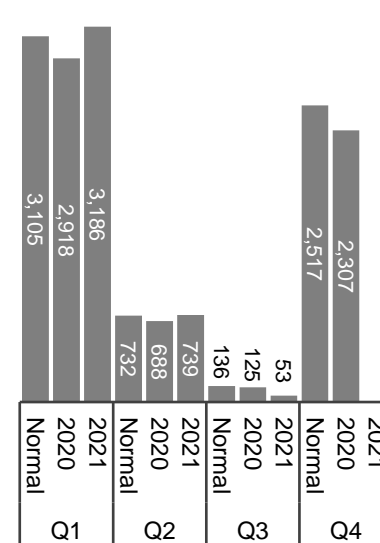
MWh Sales

(in millions)



Gas Degree Days*

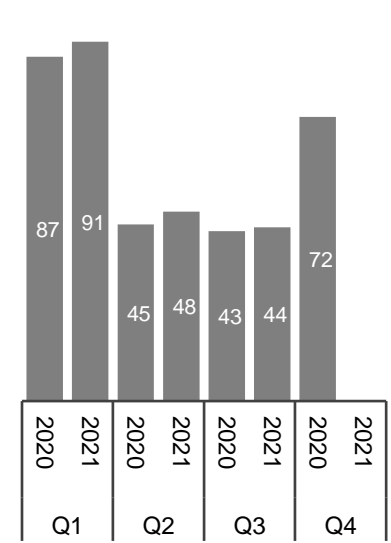
Total for all natural gas service areas weighted by customer count



Gas Utility Total

Dth Sales

(in millions)



Electric heating degree days
Electric cooling degree days

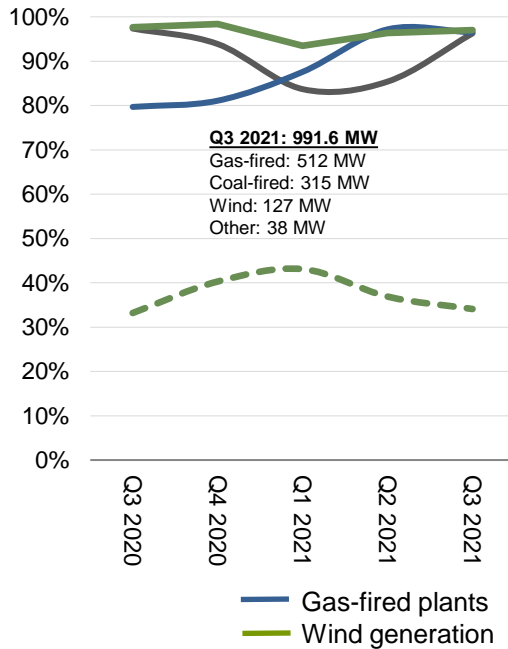
Utility customer sales
Off-system sales

* Gas Degree Days excludes Kansas data due to weather normalization in the state

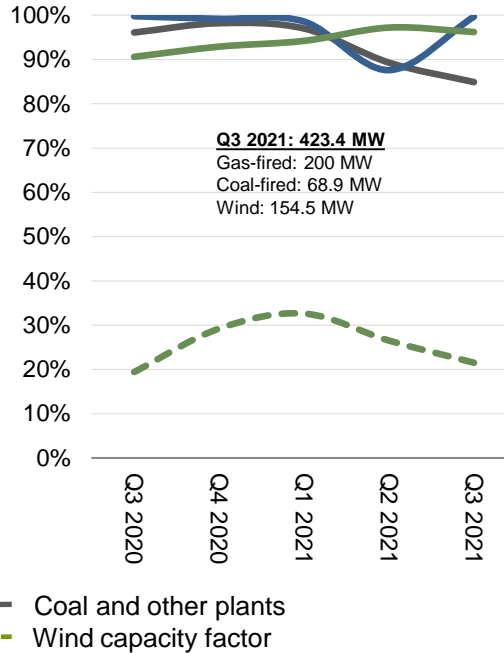
Note: normal degree days listed for prior quarters based on data as of 2020; current quarter normal based on average of currently available data

Electric Generation and Mining Performance

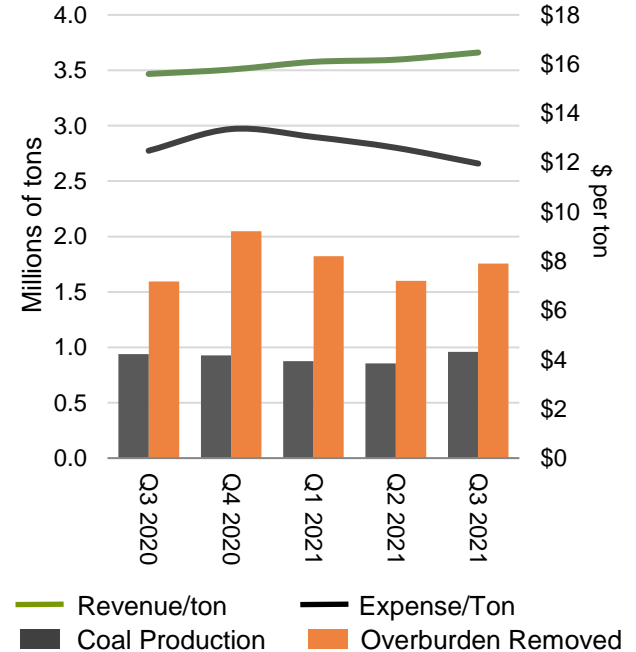
Utility-owned Generation Availability



IPP Generation Contract Availability



Mining Revenue and Expense per Ton Sold



Capital Investment by Segment and Recovery

(in millions)

	2021F	2022F	2023F	2024F	2025F	2021-2025F
Minimal Lag Capital - Electric Utilities ¹	\$34	\$25	\$28	\$19	\$84	\$190
Rider Eligible Capital - Electric Utilities ²	111	89	58	140	67	465
Growth Capital - Electric Utilities ³	17	17	17	15	15	83
Other	89	95	89	97	50	420
Electric Utilities	\$251	\$227	\$192	\$271	\$216	\$1,157
Minimal Lag Capital - Gas Utilities ¹	86	79	95	113	94	\$466
Rider Eligible Capital - Gas Utilities ²	165	181	166	156	149	817
Growth Capital - Gas Utilities ³	78	68	99	74	73	392
Other	64	35	24	43	33	199
Gas Utilities	\$393	\$363	\$383	\$386	\$349	\$1,874
Total Utilities	\$644	\$590	\$576	\$657	\$565	\$3,031
Power Generation	14	7	6	4	7	38
Mining	9	5	6	10	8	38
Corporate	12	9	12	13	13	59
Total Black Hills Base Forecast	\$678	\$611	\$600	\$684	\$593	\$3,166
▲ Incremental Projects					~60	~60
Total Black Hills Forecast	\$678	\$611	\$600	\$684	\$653	\$3,226

Incremental projects being evaluated for timing, cost and other factors

¹ Minimal Lag Capital - investment with regulatory lag of less than one year or incurred during expected regulatory test periods

² Rider Eligible Capital - capital expenditures recovered through state specific tariffs or FERC formula rates and meets minimal lag capital definition

³ Growth Capital - generates immediate revenue on customer connections

Note: Some totals may differ due to rounding

Regulated Utility Capital Investment by Type

(in millions)

	2021F	2022F	2023F	2024F	2025F	2021-2025F
Safety, Reliability and Integrity ¹	\$173	\$155	\$135	\$208	\$170	\$841
Growth ²	52	37	23	34	19	166
General Plant	26	35	34	29	27	151
Electric Utilities	\$251	\$227	\$192	\$271	\$216	\$1,157
Safety, Reliability and Integrity ¹	277	263	248	273	244	1,304
Growth ²	78	68	99	74	73	392
General Plant	38	33	36	40	32	178
Gas Utilities	393	363	383	386	349	\$1,874
Total Utilities	\$644	\$590	\$576	\$657	\$565	\$3,031

Incremental projects being evaluated for timing, cost and other factors

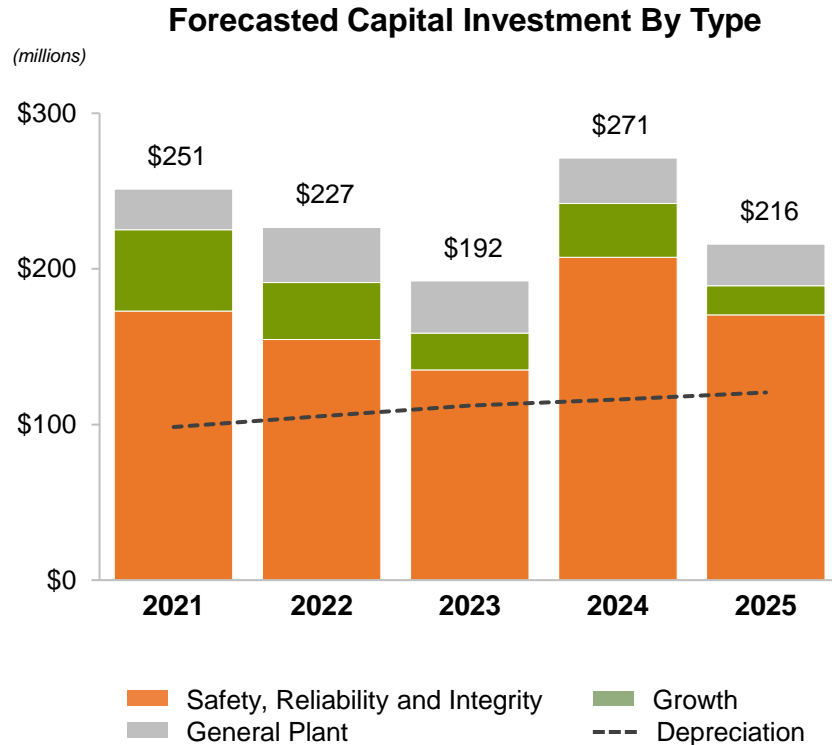
¹ Safety, Reliability and Integrity Capital - capital expenditures related to improving or maintaining system integrity

² Growth Capital - generates immediate revenue on customer connections

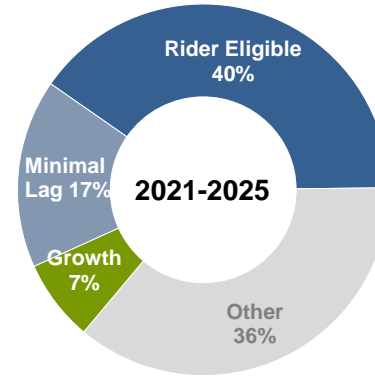
Note: Some totals may differ due to rounding

Electric Utilities Capital Investment

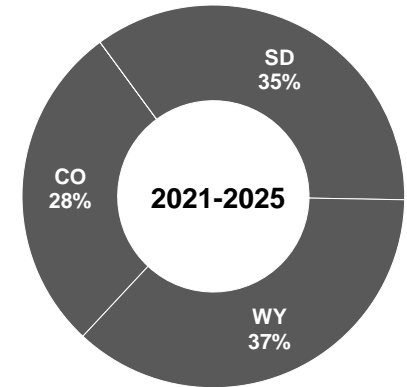
Five-year Forecast of \$1.2+ Billion Focused on Safety, System Integrity and Growth



64% with Timely Recovery*



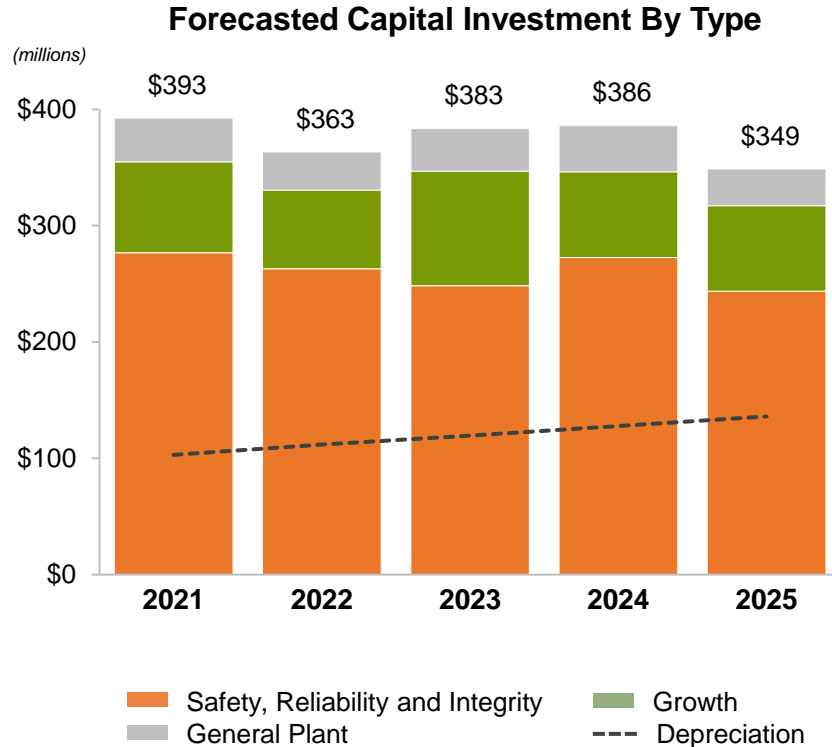
Forecasted Capital by State



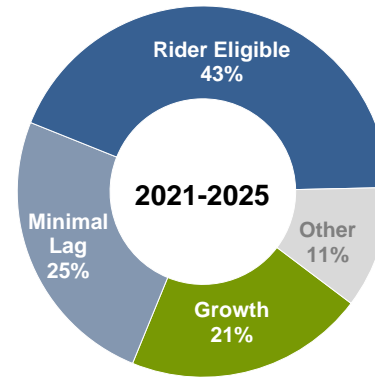
* Growth Capital - generates immediate revenue upon customer connections
 Minimal Lag Capital - capital expenditures with regulatory lag of less than one year or incurred during expected regulatory test periods
 Rider Eligible Capital - capital expenditures recovered through state specific tariffs or FERC formula rates and meets Minimal Lag Capital definition

Natural Gas Utilities Capital Investment

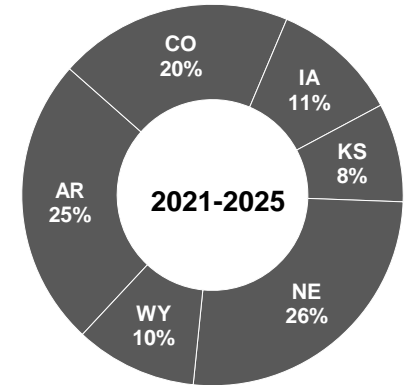
Five-year Forecast of \$1.9+ Billion Focused on Safety, System Integrity and Growth



89% with Timely Recovery*



Forecasted Capital by State



* Growth Capital - generates immediate revenue upon customer connections
 Minimal Lag Capital - capital expenditures with regulatory lag of less than one year or incurred during expected regulatory test periods
 Rider Eligible Capital - capital expenditures recovered through state specific tariffs and meets Minimal Lag Capital definition

2021 Earnings Guidance Assumptions

Black Hills raised the lower end of its guidance range for 2021 EPS available for common stock, to be in the range of \$3.85 to \$4.00 from \$3.80 to \$4.00, based on the following assumptions:

- Normal weather conditions within our utility service territories including temperatures, precipitation levels and wind conditions for the remainder of the year
- Normal operations and weather conditions for planned construction, maintenance and/or capital investment projects for the remainder of the year
- Completion of utility regulatory dockets
- No significant unplanned outages at any of our generating facilities other than Wygen I *
- Production tax credits of \$20 million associated with wind generation assets
- Equity issuance of \$100 million to \$120 million through the at-the-market equity offering program in 2021
- Capital investment of \$678 million in 2021
- No material net impact from COVID-19
- Constructive regulatory outcomes related to recovery of incremental Winter Storm Uri costs

* In September, the Wygen I power plant experienced an unplanned outage. The outage had a \$2.3 million negative impact to operating income in the third quarter and is expected to negatively impact fourth quarter operating income by approximately \$5 million.

2022 Earnings Guidance Assumptions

Black Hills reaffirmed its guidance for 2022 EPS available for common stock, to be in the range of \$3.95 to \$4.15, based on the following assumptions:

- Normal weather conditions within our utility service territories including temperatures, precipitation levels and wind conditions
- Normal operations and weather conditions for planned construction, maintenance and/or capital investment projects
- Completion of utility regulatory dockets
- No significant unplanned outages at any of our generating facilities
- Adjusted contract price for Wygen I power purchase agreement beginning Jan. 1, 2022
- Production tax credits of \$20 million associated with wind generation assets
- Capital investment of \$678 million in 2021 and \$611 million in 2022
- Equity issuance of \$100 million to \$120 million in 2021 and \$100 million to \$120 million in 2022 through the at-the-market equity offering program
- Constructive regulatory outcomes related to recovery of incremental Winter Storm Uri costs
- No material net impact from COVID-19
- Inflation in line with recent historical trends

Non-GAAP Financial Measures

Gross Margin

Our financial information includes the financial measure Gross Margin, which is considered a “non-GAAP financial measure.” Generally, a non-GAAP financial measure is a numerical measure of a company’s financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. Gross Margin (Revenues less Cost of Sales) is a non-GAAP financial measure due to the exclusion of depreciation from the measure. The presentation of Gross Margin is intended to supplement investors’ understanding of our operating performance.

Gross Margin is calculated as operating revenue less cost of fuel, purchased power and cost of gas sold. Our Gross Margin is impacted by the fluctuations in power purchases and natural gas and other fuel supply costs. However, while these fluctuating costs impact Gross Margin as a percentage of revenue, they only impact total Gross Margin if the costs cannot be passed through to our customers.

Our Gross Margin measure may not be comparable to other companies’ Gross Margin measure. Furthermore, this measure is not intended to replace operating income as determined in accordance with GAAP as an indicator of operating performance.

EBITDA and EBITDA, as adjusted

We believe that our presentation of earnings before interest, income taxes, depreciation and amortization (EBITDA) and EBITDA, as adjusted (EBITDA adjusted for special items as defined by management), both non-GAAP measures, are important supplemental measures of operating performance. We believe EBITDA and EBITDA, as adjusted, when considered with measures calculated in accordance with GAAP, give investors a more complete understanding of operating results before the impact of investing and financing transactions and income taxes. We have chosen to provide this information to investors to enable them to perform more meaningful comparisons of past and present operating results and as a means to evaluate the results of core on-going operations. Our presentation of EBITDA may be different from the presentation used by other companies and, therefore, comparability may be limited. Depreciation and amortization expense, interest expense, income taxes and other items have been and will be incurred and are not reflected in the presentation of EBITDA. Each of these items should also be considered in the overall evaluation of our results. Additionally, EBITDA does not consider capital expenditures and other investing activities and should not be considered a measure of our liquidity. We compensate for these limitations by providing relevant disclosure of our depreciation and amortization, interest and income taxes, capital expenditures and other items both in our reconciliation to the GAAP financial measures and in our consolidated financial statements, all of which should be considered when evaluating our performance.

Note: continued on next page

Non-GAAP Financial Measures

Net Income Available for Common Stock and EPS, as adjusted

We have provided non-GAAP earnings data reflecting adjustments for special items as specified in the GAAP to non-GAAP adjustment reconciliation table in this presentation. Operating Income (loss), as adjusted, Income (loss) from continuing operations, as adjusted, and Net income (loss), as adjusted, are defined as Segment Revenue, Operating Income (loss), Income (loss) from continuing operations and Net income (loss), adjusted for expenses, gains and losses that the company believes do not reflect the company's core operating performance. The company believes that non-GAAP financial measures are useful to investors because the items excluded are not indicative of the company's continuing operating results. The company's management uses these non-GAAP financial measures as an indicator for evaluating current periods and planning and forecasting future periods.

Earnings per share, as adjusted and earnings from continuing operations, per share, as adjusted

Earnings per share from continuing operations available for common stock, as adjusted, and earnings from continuing operations, per share, as adjusted, are Non-GAAP financial measures. Earnings per share, as adjusted, and earnings from continuing operations available for common stock, per share, as adjusted, are defined as GAAP Earnings per share and GAAP earnings from continuing operations, adjusted for expenses, gains and losses that the Company believes do not reflect the Company's core operating performance. Examples of these types of adjustments may include unique one-time non-budgeted events, impairment of assets, acquisition and disposition costs, and other adjustments noted in the earnings reconciliation tables in this presentation. The Company is not able to provide a forward-looking quantitative GAAP to Non-GAAP reconciliation for this financial measure because we do not know the unplanned or unique events that may occur later during the year.

Limitations on the Use of Non-GAAP Measures

Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Our presentation of these non-GAAP financial measures should not be construed as an inference that our future results will not be affected by unusual, non-routine, or non-recurring items.

Non-GAAP measures should be used in addition to and in conjunction with results presented in accordance with GAAP. Non-GAAP measures should not be considered as an alternative to net income, operating income or any other operating performance measure prescribed by GAAP, nor should these measures be relied upon to the exclusion of GAAP financial measures. Our non-GAAP measures reflect an additional way of viewing our operations that we believe, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting our business than could be obtained absent this disclosure. Management strongly encourages investors to review our financial information in its entirety and not rely on a single financial measure.

Non-GAAP Financial Measures

	For the Nine Months Ended Sept. 30,			
	Earnings, as adjusted (in millions)		Earning Per Share, as adjusted	
	2020	2021	2020	2021
Net income (loss) available for common stock (GAAP)	\$ 150.4	\$ 165.6	\$ 2.41	\$ 2.63
<u>Adjustments (after tax)</u>				
Impairment of investment	5.3	-	0.08	-
Rounding	-	-	0.01	-
Total Non-GAAP adjustments	5.3	-	0.09	-
Net income available for common stock, as adjusted (Non-GAAP)	\$ 155.7	\$ 165.6	\$ 2.50	\$ 2.63

Non-GAAP Financial Measures

	Earnings, as adjusted (in millions)					Earnings Per Share, as adjusted				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Net income (loss) available for common stock (GAAP)	\$ 73.0	\$ 177.0	\$ 258.4	\$ 199.3	\$ 227.6	\$ 1.37	\$ 3.21	\$ 4.66	\$ 3.28	\$ 3.65
Loss from discontinued operations (GAAP)	64.2	17.1	6.9	-	-	1.20	0.31	0.12	-	-
Net income from continuing operations available for common stock (GAAP)	137.1	194.1	265.3	199.3	227.6	2.57	3.52	4.78	3.28	3.65
<u>Adjustments, after tax</u>										
Acquisition / integration costs	29.7	2.8	-	-	-	0.56	0.05	-	-	-
Tax reform and other tax items	-	(11.7)	4.0	-	-	-	(0.21)	0.07	-	-
Legal restructuring - income tax benefit	-	-	(72.8)	-	-	-	-	(1.31)	-	-
Impairment of investment	-	-	-	15.2	5.3	-	-	-	0.25	0.08
Rounding	0.1	0.1	-	-	-	-	-	-	-	-
Total Non-GAAP adjustments	29.8	(8.8)	(68.8)	15.2	5.3	0.56	(0.16)	(1.24)	0.25	0.08
Net income from continuing operations available for common stock, as adjusted (Non-GAAP)	\$ 166.9	\$ 185.3	\$ 196.5	\$ 214.5	\$ 232.9	\$ 3.13	\$ 3.36	\$ 3.54	\$ 3.53	\$ 3.73

Non-GAAP Financial Measures

EBITDA

<i>(in thousands)</i>	Three Months Ended Sept. 30		Nine Months Ended Sept, 30	
	2020	2021	2020	2021
Net income	\$ 40,349	\$ 48,162	\$ 162,267	\$ 176,936
Depreciation, depletion and amortization	56,348	59,159	169,413	174,871
Interest expense, net	36,041	38,018	107,039	113,820
Income tax expense (benefit)	4,651	5,253	25,484	6,333
EBITDA	\$ 137,389	\$ 150,592	\$ 464,203	\$ 471,960
Adjustments for unique items:				
Impairment of investment	—	—	6,859	—
EBITDA, as adjusted	\$ 137,389	\$ 150,592	\$ 471,062	\$ 471,960

Strategic Objectives



Profitable Growth

Achieve consistent growth that creates value

- Meet growing demand through innovative solutions and customer-focused, cost effective, rate-based utility assets
- Enhance reliability and satisfaction
- Acquire small utility systems within or near existing service territories

READY.

Valued Service

Deliver reliable and highly valued products and services

- Invest in infrastructure to maintain safety and reliability of electric and gas systems
- Cost effectively integrate additional renewable resources



Better Every Day

Continuously improve to achieve industry-leading results

- Achieve top-tier performance in a culture of continuous improvement
- Improve efficiencies through continued deployment of technology



Great Workplace

Promote a workplace that inspires individual growth and pride in what we do

- Be the safest company in our industry
- Be one of the best places to work
- Improve the wellness of employees
- Be a workplace of choice for women and minorities

Vision Be the energy partner of choice.

Mission Improving life with energy.

Company Values



Agility

We embrace change and challenge ourselves to adapt quickly to opportunities.



Customer Service

We are committed to providing a superior customer experience every day.



Partnership

Our partnerships with shareholders, communities, regulators, customers and each other make us all stronger.



Communication

Consistent, open and timely communication keeps us focused on our strategy and goals.



Integrity

We hold ourselves to the highest standards based on a foundation of unquestionable ethics.



Respect

We respect each other. Our unique talents and diversity anchor a culture of success.



Creating Value

We are committed to creating exceptional value for our shareholders, employees, customers and the communities we serve ... always.



Leadership

Leadership is an attitude. Everyone must demonstrate the care and initiative to do things right.



Safety

We commit to live and work safely every day.



BH
Black Hills Corporation
Ready