

A woman wearing a white hard hat with a CPDS logo and a yellow safety vest is working at a wind turbine. She is wearing safety glasses and black gloves, and her hair is blowing in the wind. The background shows a clear sky and the structure of the wind turbine.

Annual Meeting of Shareholders

April 27, 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 long-term earnings growth target and the impacts of the COVID-19 pandemic on our business. 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 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;
- Board of Directors’ approval of any future quarterly dividends;
- Our ability to meet our greenhouse gas emissions intensity reduction targets;
- The impact of future governmental regulation; 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.

Black Hills Corp. Overview



READY TO SERVE

Black Hills Corp. Overview

Integrated Pure-Play Utility

Integrated Electric Utility

Electric Utilities

Generation, transmission and distribution (39% of total assets)

Power Generation

Electric capacity largely contracted to our utilities (5% of total assets)

Mining

Efficient fuel supply for mine-mouth generation through long-term contracts (1% of total assets)

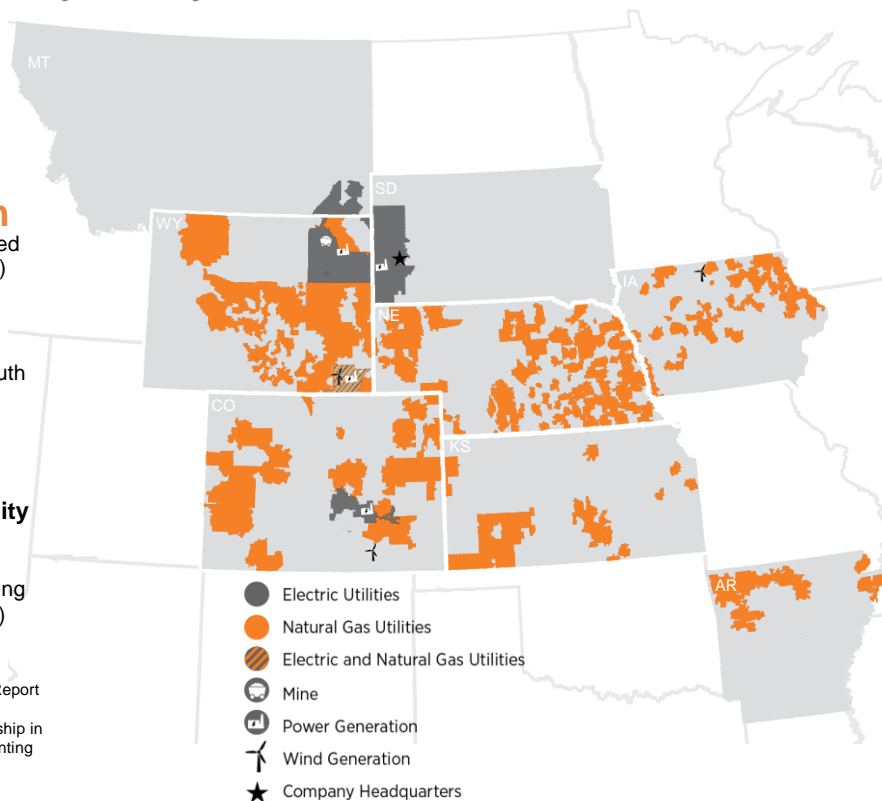
Full-service Natural Gas Utility

Gas Utilities

Transmission, distribution, sourcing and storage (54% of total assets)

Note: information from 2020 Form 10-K Annual Report

* Generation total includes 49.9 percent ownership in Colorado IPP owned by a third party, representing approximately 100 megawatts



Diverse Utility Mix with Strong Financial Base

8 stable and growing states

1.3 million utility customers

1.4 gigawatts* generation

8,900 miles electric lines

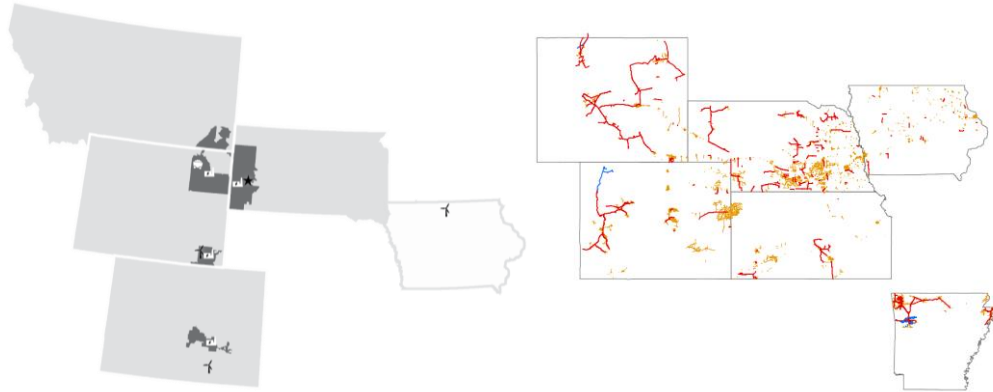
46,600 miles natural gas lines

\$8.1 billion assets

\$4.4 billion rate base

Strategic Diversity

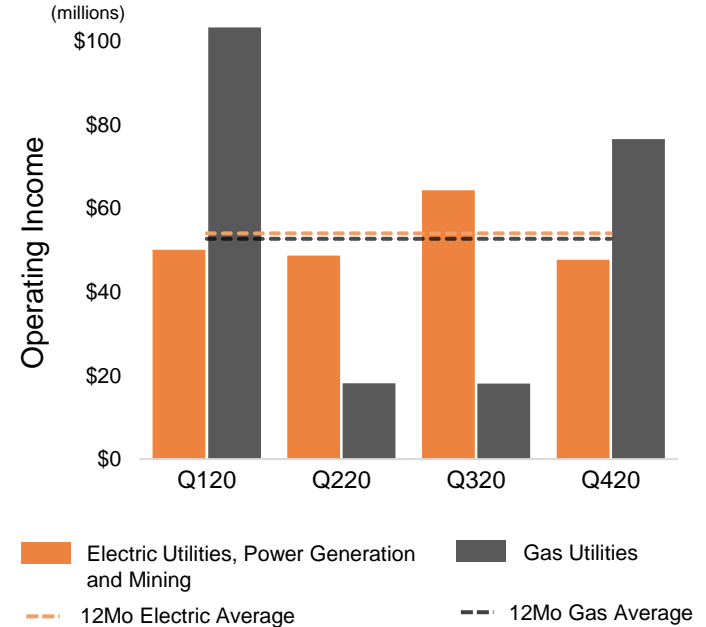
Large Systems Across Stable, Growing and Constructive Jurisdictions



1.4 gigawatts of electric generation and **8,900-mile** electric transmission and distribution system

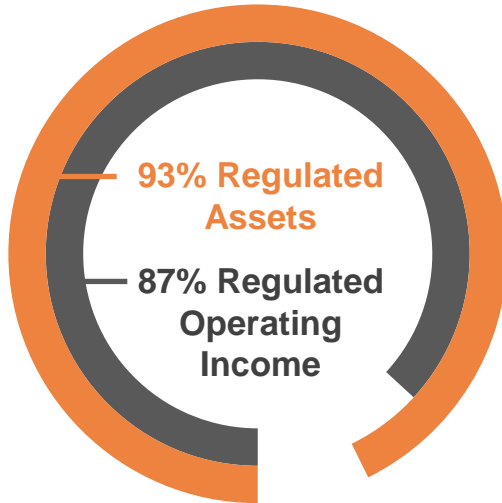
46,600-mile natural gas gathering, storage, transmission and distribution system

Complementary Seasonality of Electric and Gas Business Mix

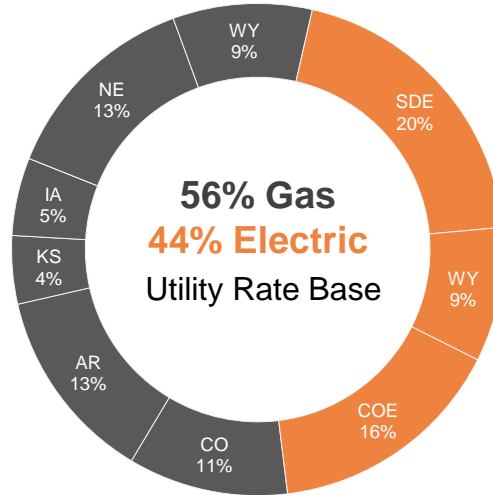


Low-risk Utility Investment

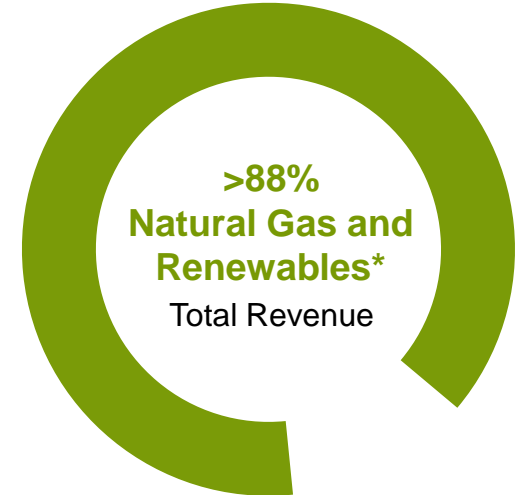
Regulated and Integrated



Diverse and Balanced Business Mix



Less than 12% of Revenue From Coal

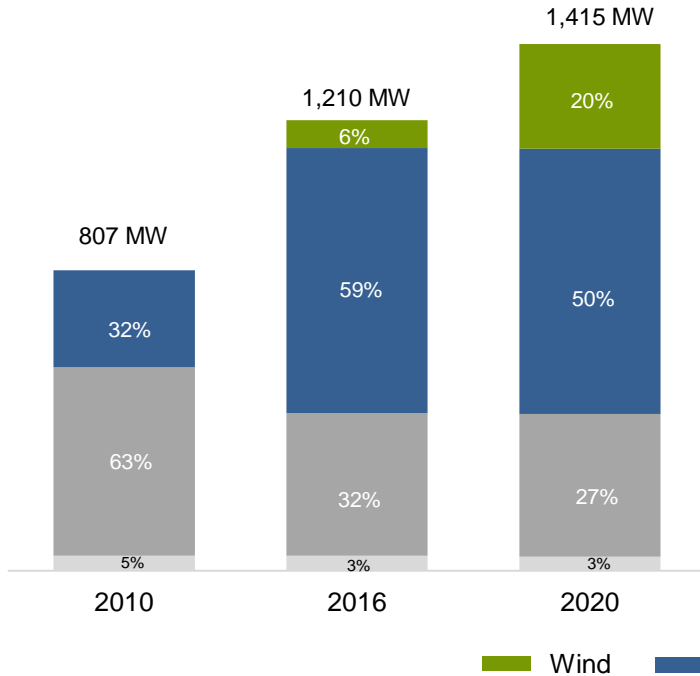


Note: Information as of Dec. 31, 2020

88% of total revenues derived from natural gas utilities, natural gas-fired generation, renewables and other non-coal related activities and services

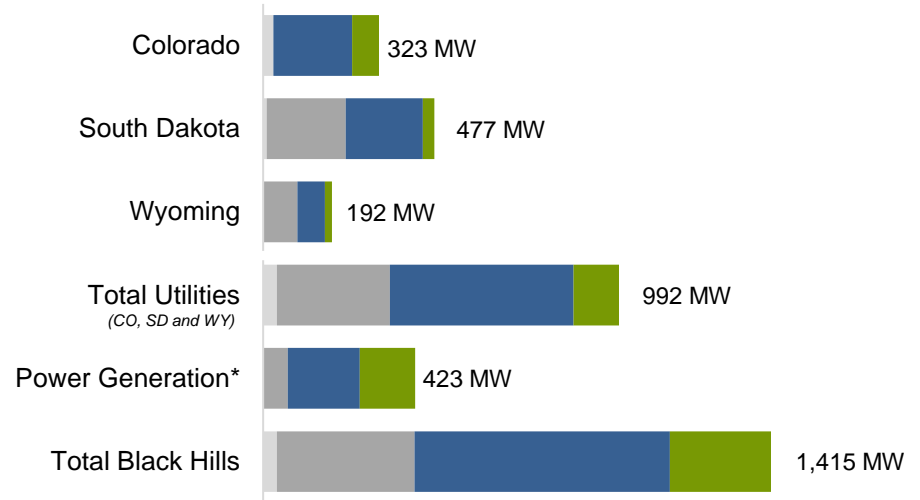
Responsibly Integrating Renewable Energy

Total Electric Generation Capacity *



Current Capacity Mix *

(Dec. 31, 2020)



* Total Black Hills ownership comprised of utility-owned capacity and capacity owned by Power Generation segment, which includes 49.9 percent ownership in Colorado IPP by a third party representing approximately 100 megawatts; excludes power purchase agreements from third parties

2020 Review



READY TO SERVE

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

Proactive Response to COVID-19



Health and Safety Priority

- Proactive response across all business functions through crisis response plan
 - Protective safeguards and cleaning protocols
 - Efficiency and effectiveness in work-from-home environment
- Suspended disconnects, supported local relief efforts and assisted financially impacted customers
- Closely monitored pandemic and coordinated with authorities and industry peers



System Reliability

- Ensured reliable energy delivery with sequestration of mission critical coworkers
- Successfully delivered capital projects for customers as planned

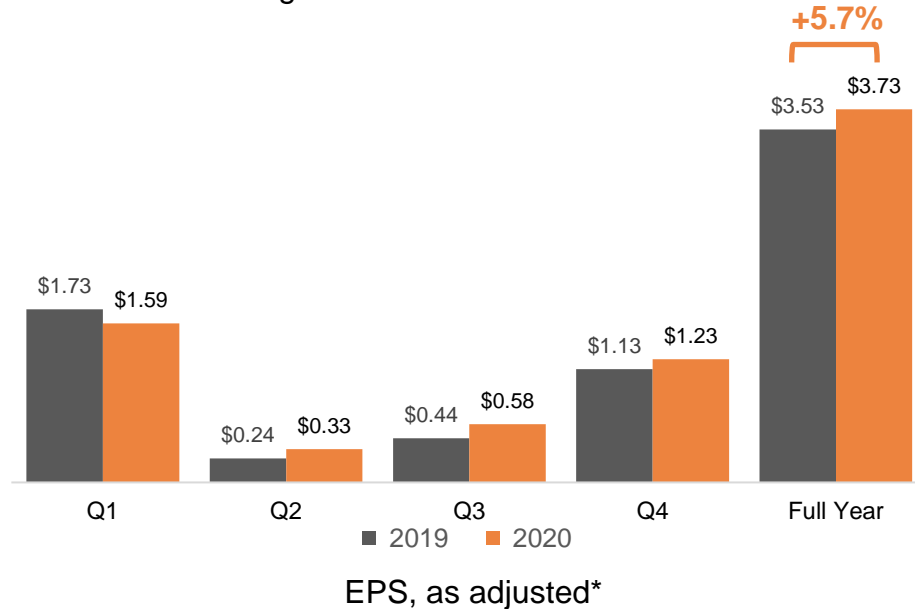
Delivering Results for Stakeholders

- ✓ Industry-leading safety and reliability
- ✓ Strong 2020 earnings and dividend growth
- ✓ Long-term EPS and dividend growth targets announced
- ✓ \$755 million of capital projects in 2020 to upgrade and expand utility infrastructure
- ✓ Constructive regulatory outcomes
- ✓ Disciplined cost management
- ✓ Completed equity and debt financings at favorable terms
- ✓ Responsible integration of renewable energy through innovative solutions
- ✓ Expanded ESG disclosures and emissions goals

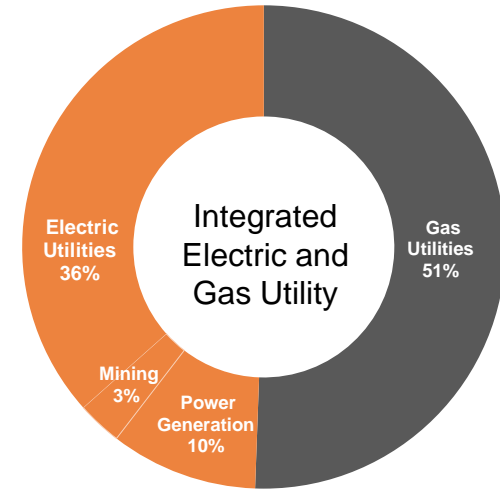
2020 Earnings Overview

5.7% Growth in 2020 EPS

- Recovery on investments for customers, customer growth and favorable tax items more than offset net impacts of COVID-19 and higher share count



Balanced Utility Mix



Percent of 2020 Full Year Operating Income
(excludes Corporate)

* EPS available for common stock, as adjusted is a non-GAAP measure; see Appendix for definition of Non-GAAP measures

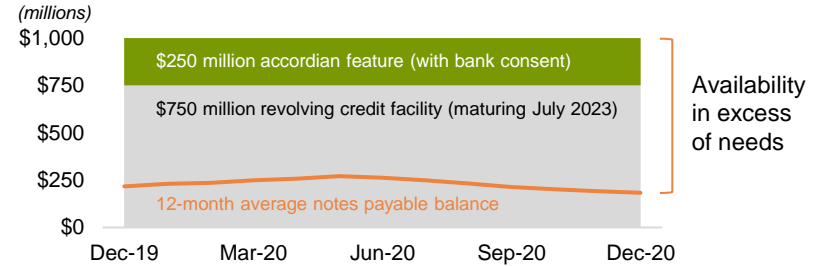
Solid Financial Position

Committed to Strong Investment-Grade Credit Ratings

Credit Ratings

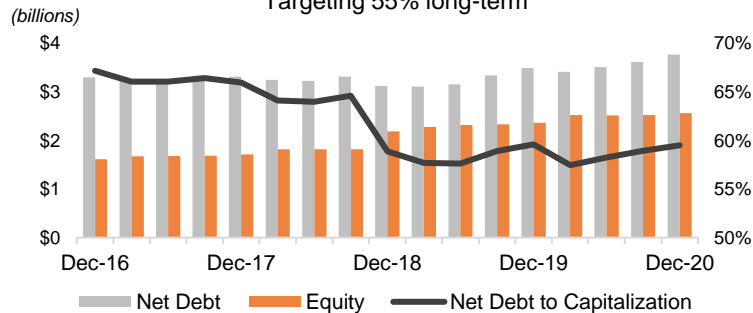
S&P	Moody's	Fitch
BBB+	Baa2	BBB+
Stable outlook	Stable outlook	Stable outlook

Ample Access to Liquidity

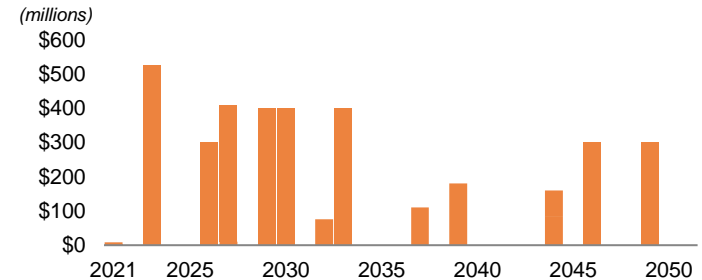


Capital Structure *

Targeting 55% long-term



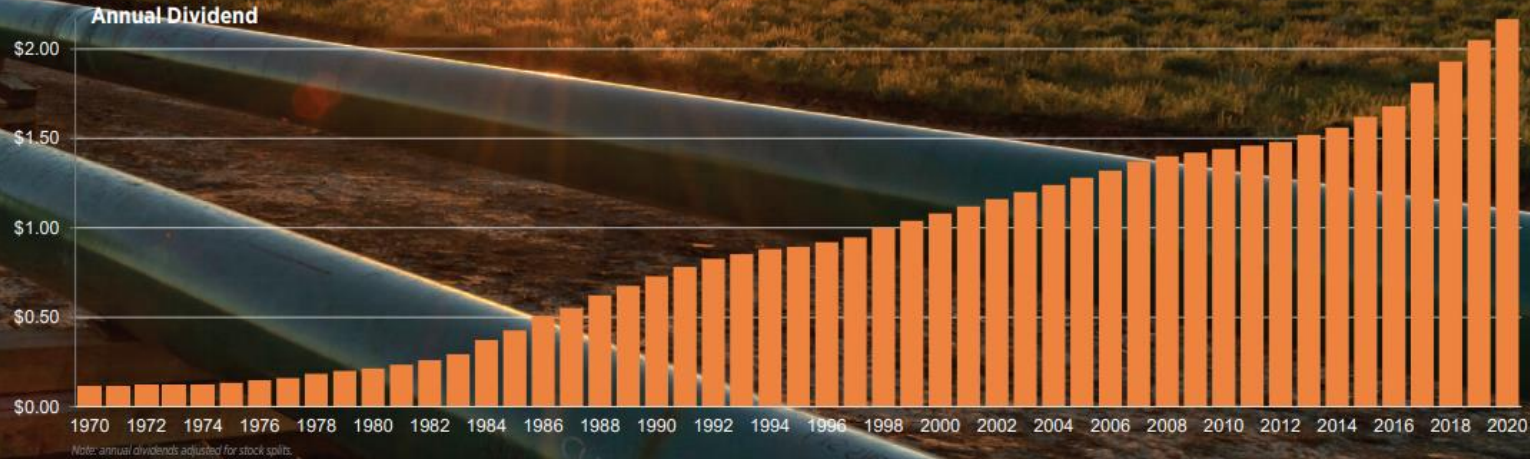
Manageable Debt Maturities



Note: information as of Dec. 31, 2020

* Excludes noncontrolling interest

50 Consecutive Years of Dividend Increase



Enhanced Long-term Growth Outlook

\$3+ 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% to 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

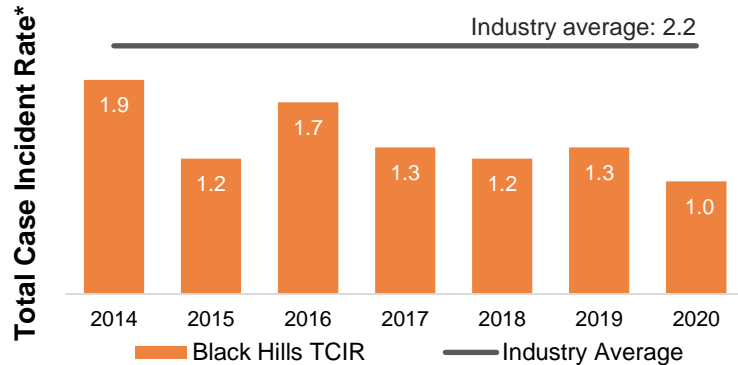
¹ 2023 to 2025 compound annual growth rate, off 2022 base

² Future dividends subject to board approval

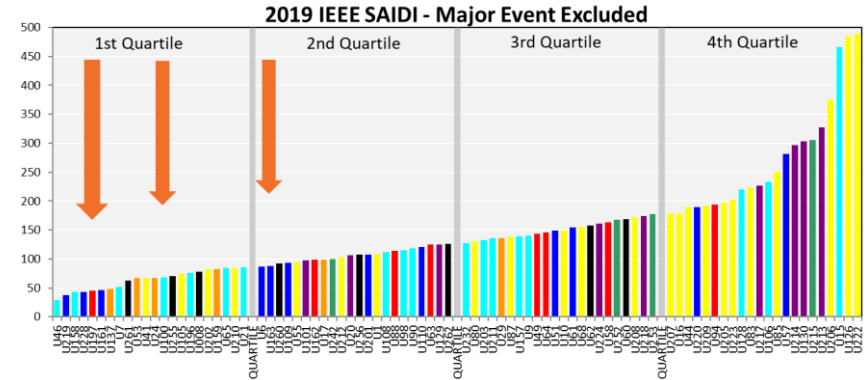
Operational Excellence



TCIR better than industry average seven consecutive years



Industry-leading reliability at all three electric utilities



Source: Institute of Electrical and Electronics Engineers (IEEE) rankings for system average interruption duration (SAIDI)



Integrating Technology

- “As-built” technologies to help reduce third-party line hits
- Digital mapping technologies, improved data analytics including artificial intelligence
- Enhanced remote workforce capabilities

Enhanced ESG Disclosures

Greenhouse Gas Emissions Intensity Reduction Goals

Electric Operations

40% by 2030*

70% by 2040*

Gas Utilities

50% by 2035*



New and Updated ESG Reporting



* Reductions based on 2005 baseline

ESG Progress

Environmental

- Published greenhouse gas emission reduction goals, sustainability statements and updated sustainability report
- Responsibly adding renewable generation resources in all three electric jurisdictions through innovative programs
Renewable Ready subscription-based program for SD and WY and Renewable Advantage completed 200MW solar power purchase agreement in CO
- Achieved 2020 Gold Star status in Colorado's Environmental Leadership Program
Gold Star every year since 2014
- Joined EPA's Methane Challenge Program
Voluntarily reduce methane emissions beyond regulatory requirements through Best Management Practice Commitment
- Coal-free Colorado Electric generation fleet
- 88% of total revenues from natural gas, renewables and other non-coal related activities and services*
12% of revenues from mining and coal related activities*

Social

- Improved employee safety performance with goal to be industry leader in safety
47% improvement in TCIR since 2014 and better than industry average
- Strong COVID-19 response
Effective COVID-19 safeguards and financial assistance for those in need
- Strong community giving
Charitable support of \$5.6 million in 2020 to local communities, including donations to support COVID-19 local response
- 2019 employee engagement survey score above utility average and high-performing companies
- 2019 50 Most Engaged Workplaces award (Achievers)
- 2019 EPA Energy Star Partner of the Year for improving residential efficiency

Governance

- Diverse and experienced leadership
Added two new highly experienced board members on Oct. 1, 2020
- Stock ownership requirement and compensation philosophy for officers align interests with stakeholders
- Well-established succession planning process with Board engagement

* Revenue as a percent of total company revenue based on full year revenue as of Dec. 31, 2020

Strategic Overview



READY TO SERVE

The expertise and dedication of our electric line workers keeps our service among the most reliable in the country.

Disciplined Growth Plan with Upside



Base Capital Forecast

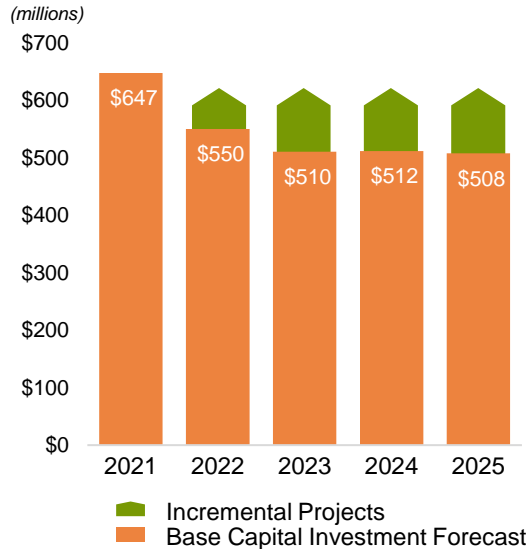


Incremental Projects



Other Earnings Drivers

\$600+ million annual investment; \$3+ billion 2021-2025



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

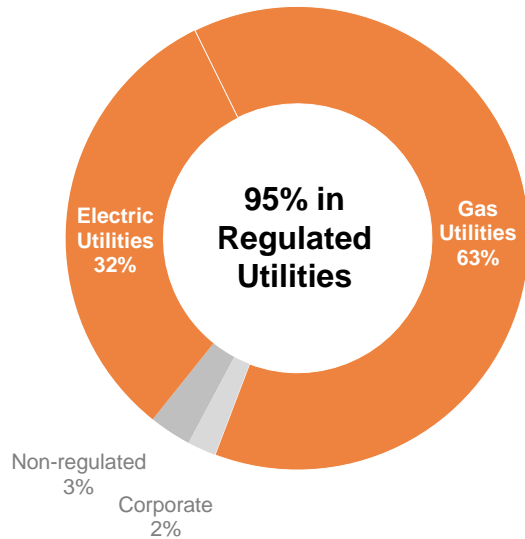
Pursuing Profitable Growth

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

Investing for Customer Needs Drives Growth

\$3+ Billion Capital Investment Forecast (2021-2025)

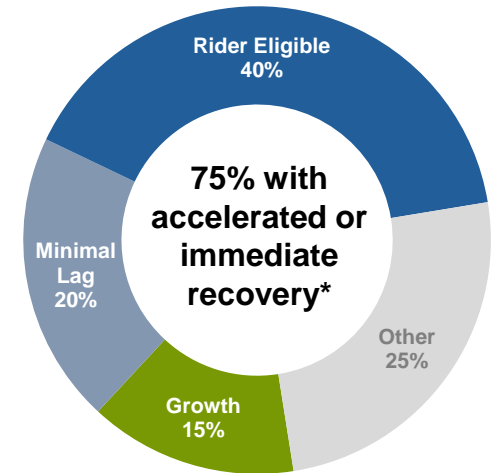
Utility Investment



Customer Focused



Timely Recovery



* Growth Capital – generates immediate revenue on customer connections

Minimal Lag Capital – capital investment with regulatory lag of less than one year or incurred during expected regulatory test periods; includes nonregulated investment

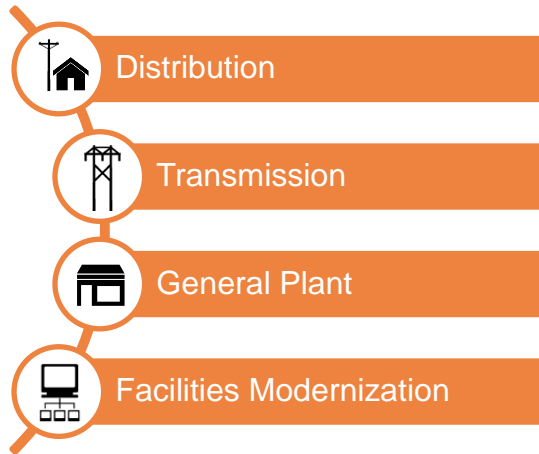
Rider Eligible Capital – capital investment recovered through state specific tariffs and meets Minimal Lag Capital definition

Other Capital – capital investment recovered through standard rate review process; includes corporate

Long-term Approach to Capital Investment

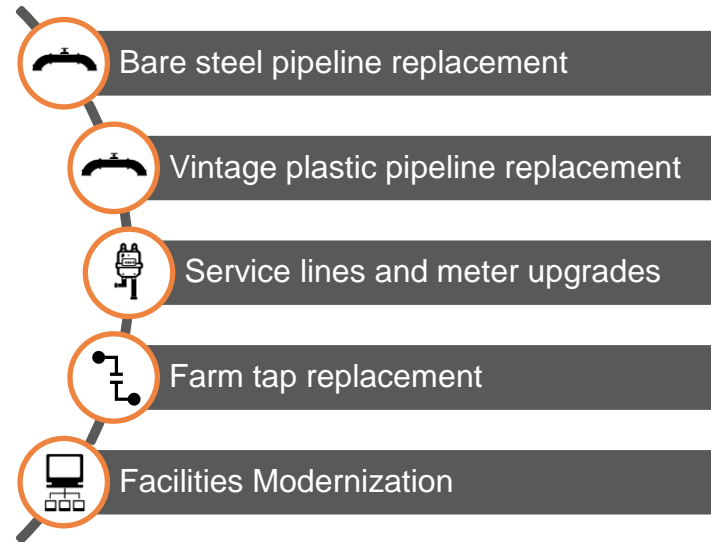
Risk-prioritized Programs Focused on Safety and System Integrity

Electric Utilities



Replacing aging infrastructure to harden and modernize systems

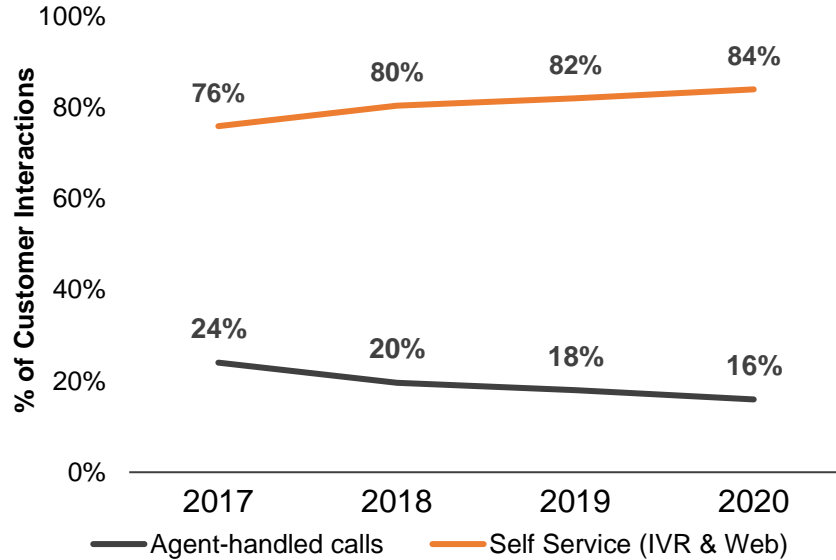
Natural Gas Utilities



Replacing at-risk materials and modernizing to maintain and enhance system integrity

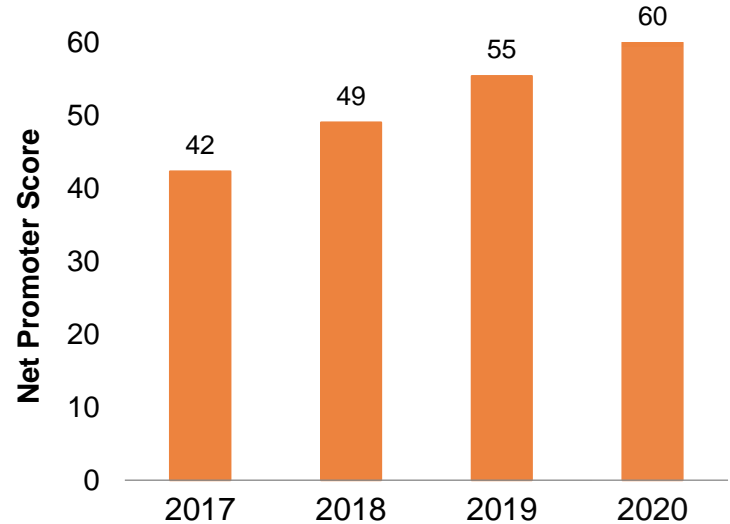
Transforming the Customer Experience

Customers Choosing Self-Service



- Increased use of self-service options through redesigned website and interactive voice response
- Reduced agent-handled calls

Improved Net Promoter Score



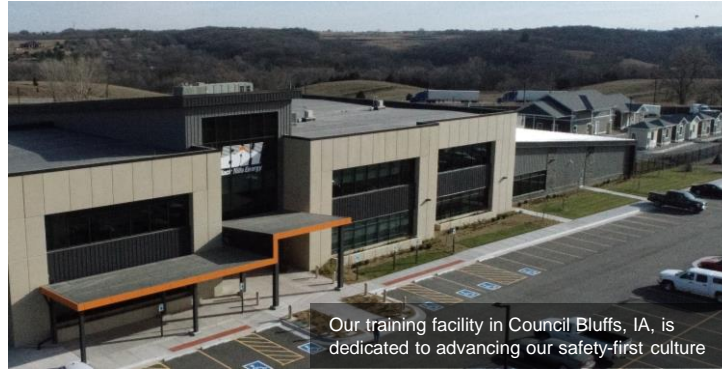
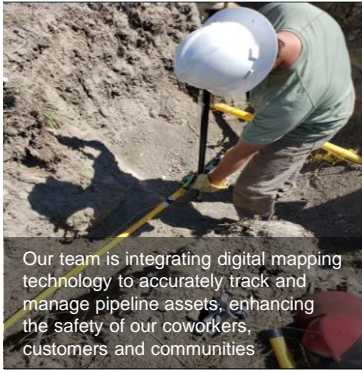
- NPS improved by 43% since 2017
- Multiple initiatives improved customer experience

Pipeline Safety Leadership

Focused on the Safety of Our Co-workers, Customers and Communities

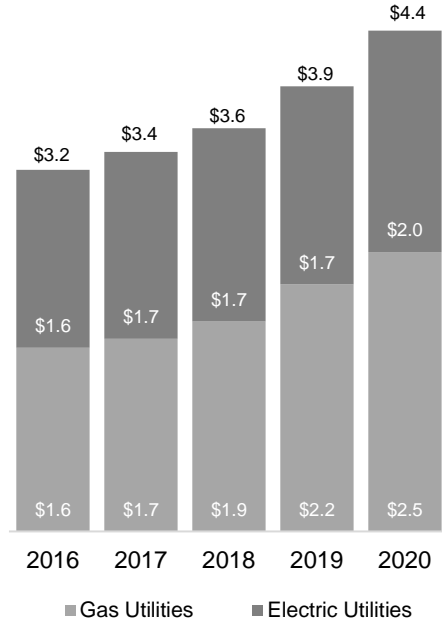
Black Hills' comprehensive, systematic effort at forefront of industry-wide goal of zero incidents

- Implementing Pipeline Safety Management System framework
- Sharing knowledge through industry leadership roles
- Enhancing emergency response and training
- Investing in technologies such as digital mapping and data collection, artificial intelligence and analytics

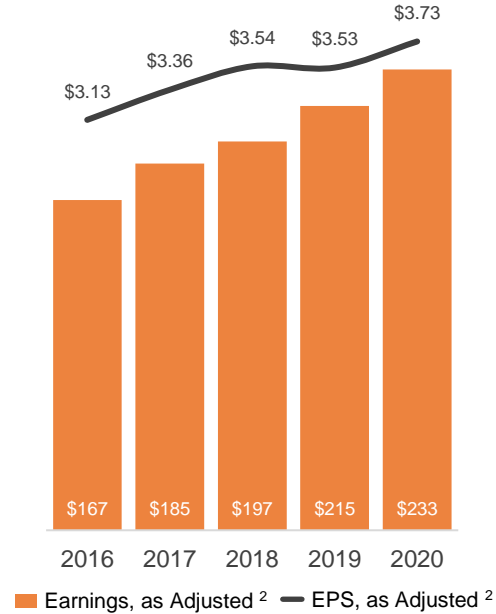


Strategic Execution Delivers Results

8.5% Rate Base¹ CAGR



8.7% Earnings CAGR
4.5% EPS CAGR



6.6% Dividend CAGR



Invest for Customers

Earnings Growth

Dividend Growth

¹ Estimated in billions as of year end

² Earnings and EPS from continuing operations available for common stock, as adjusted are non-GAAP measures; reconciled to GAAP in Appendix

Appendix



READY TO SERVE

To better serve our customers and improve the safety and reliability of our natural gas system, we are proactively replacing aging natural gas lines.

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

2020 Strategic Execution

Profitable Growth

- ✓ 5.7% increase in EPS, as adjusted*; 8.6% increase in net income, as adjusted*
- ✓ Announced long-term EPS and dividend growth targets
- ✓ Strong liquidity and BBB+ credit metrics
- ✓ 50 consecutive years of dividend increases
- ✓ New rates and safety and integrity rider expansion
- ✓ Corriedale wind project in service for SD and WY

Valued Service **READY.**

- ✓ \$755 million in customer-focused investments
- ✓ Wygen I PPA approval benefits Wyoming customers
- ✓ Customer and community support during pandemic
- ✓ Industry-leading reliability
- ✓ Innovative renewable solutions
- ✓ Favorable franchise vote in Pueblo, Colorado

Better Every Day

- ✓ Successful gas utility consolidation in Wyoming and Nebraska
- ✓ Expanded ESG reporting and emissions goals
- ✓ Leading-edge finance and accounting systems
- ✓ Robotics process automation
- ✓ Two highly experienced members added to board of directors
- ✓ Leadership alignment in Colorado

Great Workplace

- ✓ Safety results better than industry average seven consecutive years
- ✓ Increased availability and participation in diversity and inclusion programs
- ✓ COVID-19 safety procedures and personal protective equipment
- ✓ Strong spirit of volunteerism and employee giving

* Earnings, as adjusted, and EPS, as adjusted are non-GAAP measures which are reconciled to GAAP in the Appendix

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.

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

	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



BH
Black Hills Corporation™
Ready