

RESILIENT.
RELIABLE.
READY.

Annual Meeting of Shareholders

April 23, 2024



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 growth target. 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 2023 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 target is 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;
- The effects of changing interest rates;
- 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;
- Our ability to overcome the impacts of supply chain disruptions on availability and cost of materials;
- 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.

Black Hills Corp. Overview

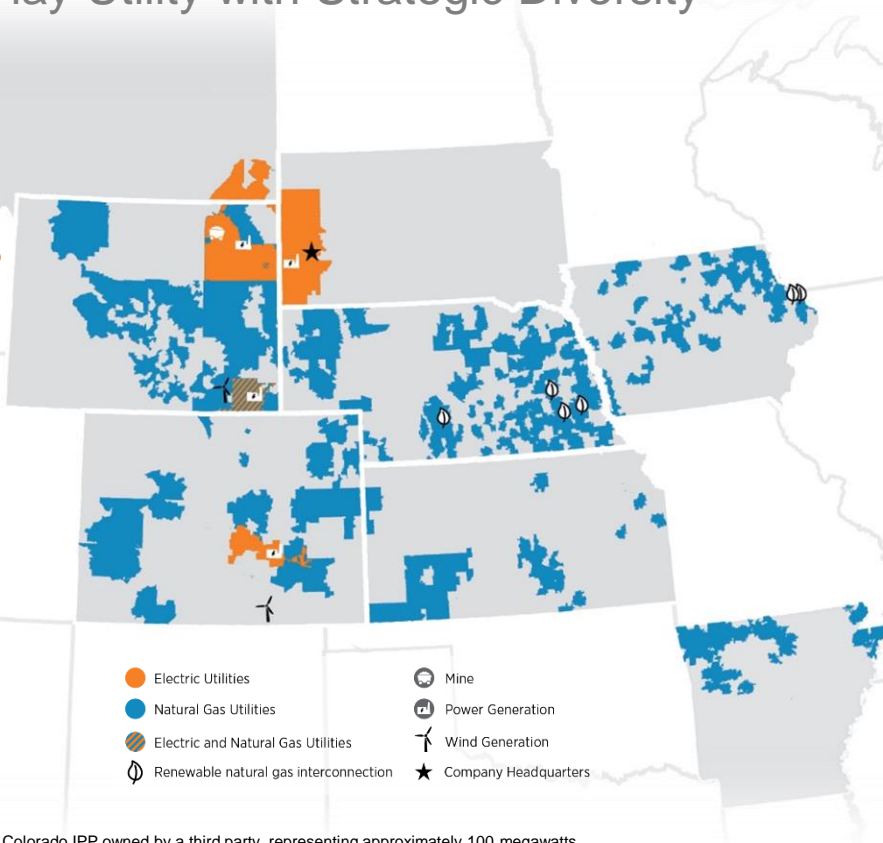
Integrated Pure-Play Utility with Strategic Diversity

Electric Utilities

Transmission, distribution and generation

Gas Utilities

Transmission, distribution, sourcing and storage



- Electric Utilities
- Natural Gas Utilities
- Electric and Natural Gas Utilities
- Renewable natural gas interconnection
- Mine
- Power Generation
- Wind Generation
- Company Headquarters

- 8 stable and growing states
- 1.34 million utility customers
- 1.4 gigawatts* generation
- 9,000 miles electric lines
- 47,000 miles natural gas lines
- \$9.6 billion assets
- \$5.6 billion rate base

Note: information from 2023 Form 10-K Annual Report
* Generation total includes 49.9 percent ownership in Colorado IPP owned by a third party, representing approximately 100 megawatts

Strong Long-term Growth Outlook

\$4.3 billion

Capital Investment 2024-2028

+ Capital-light opportunities

4% to 6%

Long-term EPS growth target ¹

55% to 65%

Dividend payout target

- Long-term growth rate in line with EPS ²

- Integrated pure-play utility profile
- Diversified mix of electric and gas businesses
- Stable and growing service territories
- Constructive regulatory jurisdictions
- Solid financial position and liquidity
- Robust capital plan with timely recovery

¹ Average annual compound growth rate off 2023 base of \$3.75 per share

² Future dividends subject to board approval

Delivering Results for Stakeholders

- ✓ Provided industry-leading reliability
- ✓ Delivered on earnings guidance
- ✓ Achieved constructive regulatory settlements
- ✓ Improved key credit metrics
- ✓ Advanced key initiatives
- ✓ Increased dividend 54 consecutive years



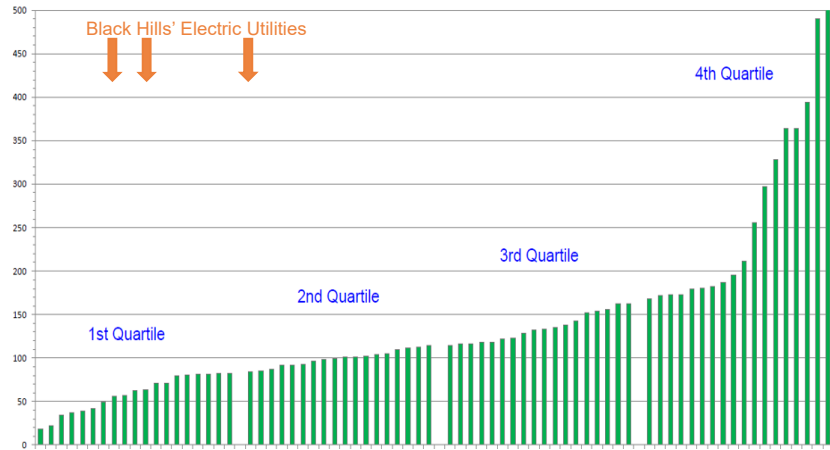
RESILIENT.
RELIABLE.
READY.

Provided Industry Leading Reliability

Delivering Safe, Reliable and Cost-Effective Energy

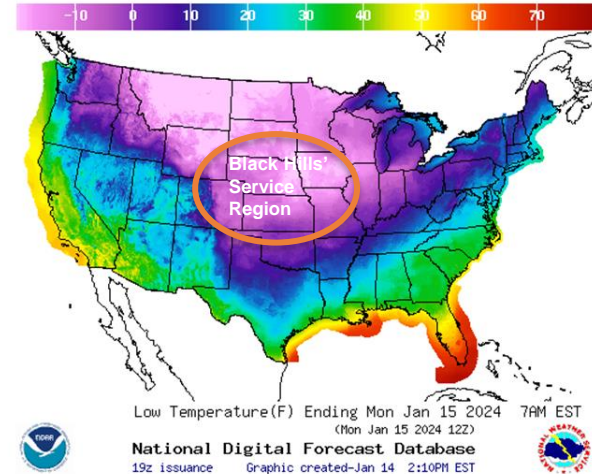
Industry-Leading Electric Reliability

EEI 2022 Overall System SAIDI (Excluding Major Events)



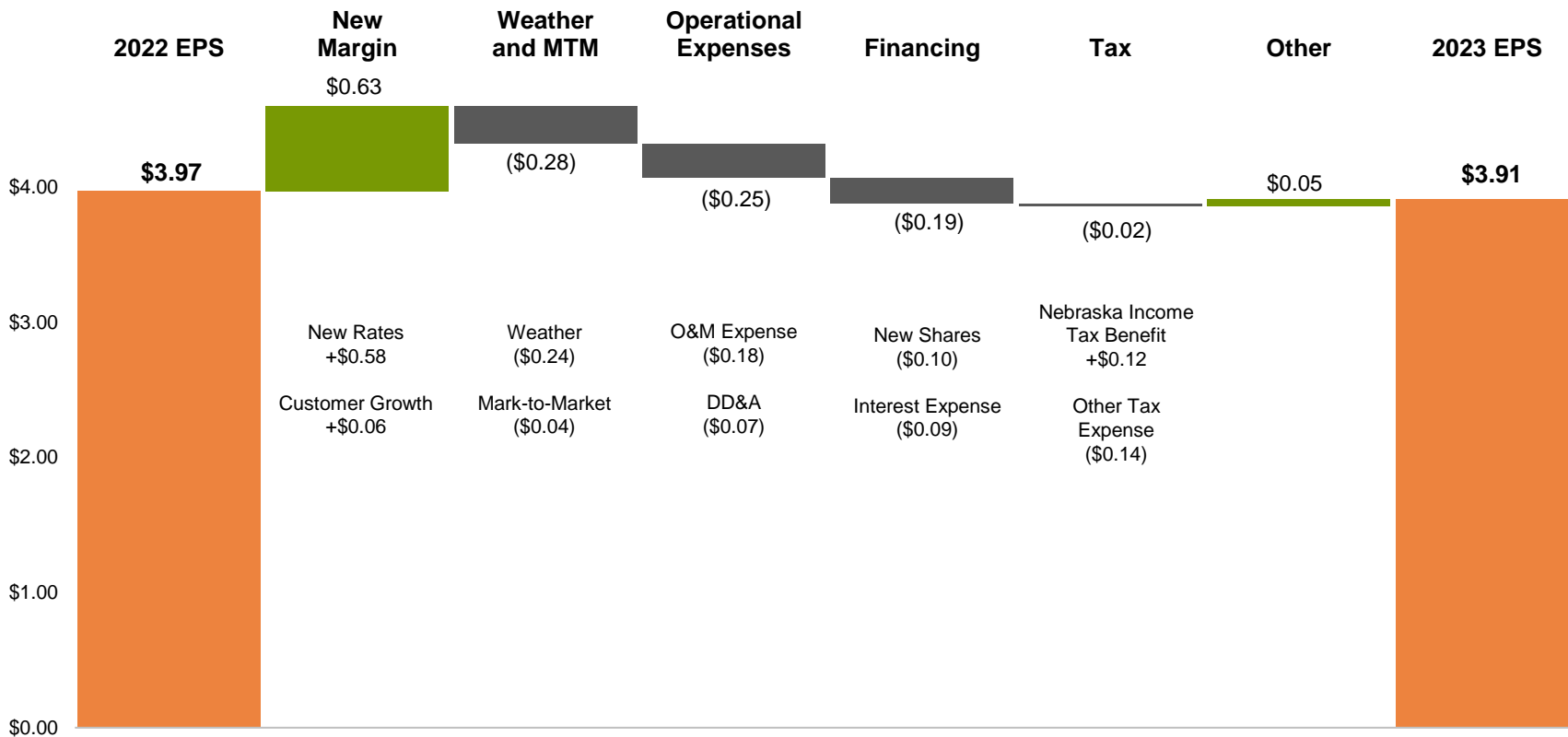
Dependable Natural Gas Service

In mid-January, we reliably served our customers during subzero conditions across our service territory



Delivered on Earnings Guidance

New Margins Offset Impacts of Weather, Inflation and Interest Rates



Achieved Constructive Regulatory Settlements

Completed Four Rate Reviews Representing \$50 million of New Annual Revenue

Jurisdiction	Filing	Annual Revenue Increase	ROE	Debt / Equity	New Rates Effective	Comments / Status
Wyoming Electric	Q2 2022	\$8.7 million	9.75%	48% / 52%	Q1 2023	Settlement approved for new rates and transmission investment and expense rider
Rocky Mountain Natural Gas	Q4 2022	\$8.2 million	9.50% to 9.70%	48% to 50% to 50% to 52%	Q3 2023	Settlement approved; WACC of 6.93%
Wyoming Gas	Q2 2023	\$13.9 million	9.85%	49% / 51%	Q1 2024	Settlement approved providing new rates and renewal of Wyoming Integrity Rider
Colorado Gas	Q2 2023	\$20.2 million*	9.30%*	49% / 51% *	Q1 2024 *	Settlement filed with provisional rates in effect; expecting final approval by Q2 2024
Arkansas Gas Docket 23-074-U	Q4 2023	\$44.1 million**	10.5%**	52% / 48%**	Q4 2024	Requesting new rates by Q4 2024
Iowa Gas	Q2 2024	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>	<i>Tbd</i>	Interim rates effective 10 days after filing
Colorado Electric	Q2 2024	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>	Last rate review in 2016

* Settlement agreement terms pending final approval by commission

** As requested in filing; excludes ongoing rider recovery requested to be included in base rates

Improved Key Credit Metrics



Robust Operating Cash Flows

- ✓ New rates and rider recovery
- ✓ Customer growth
- ✓ Recovery of elevated natural gas costs



Disciplined Capital Management

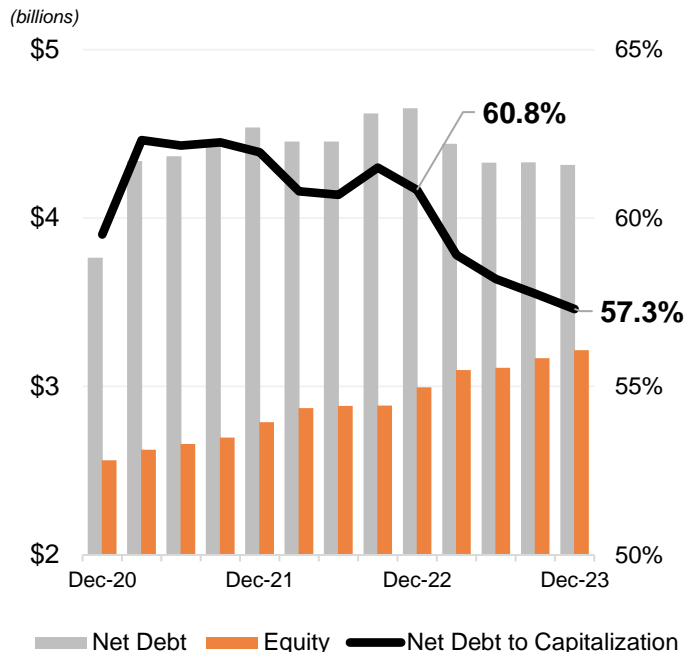
- ✓ Capital investment held to ~\$600 million
- ✓ Completed sale of non-core assets



Strong Financial Execution

- ✓ Issued \$350 million and \$450 million notes
- ✓ Repaid commercial paper and \$525 million maturity
- ✓ Issued \$119 million of equity through ATM

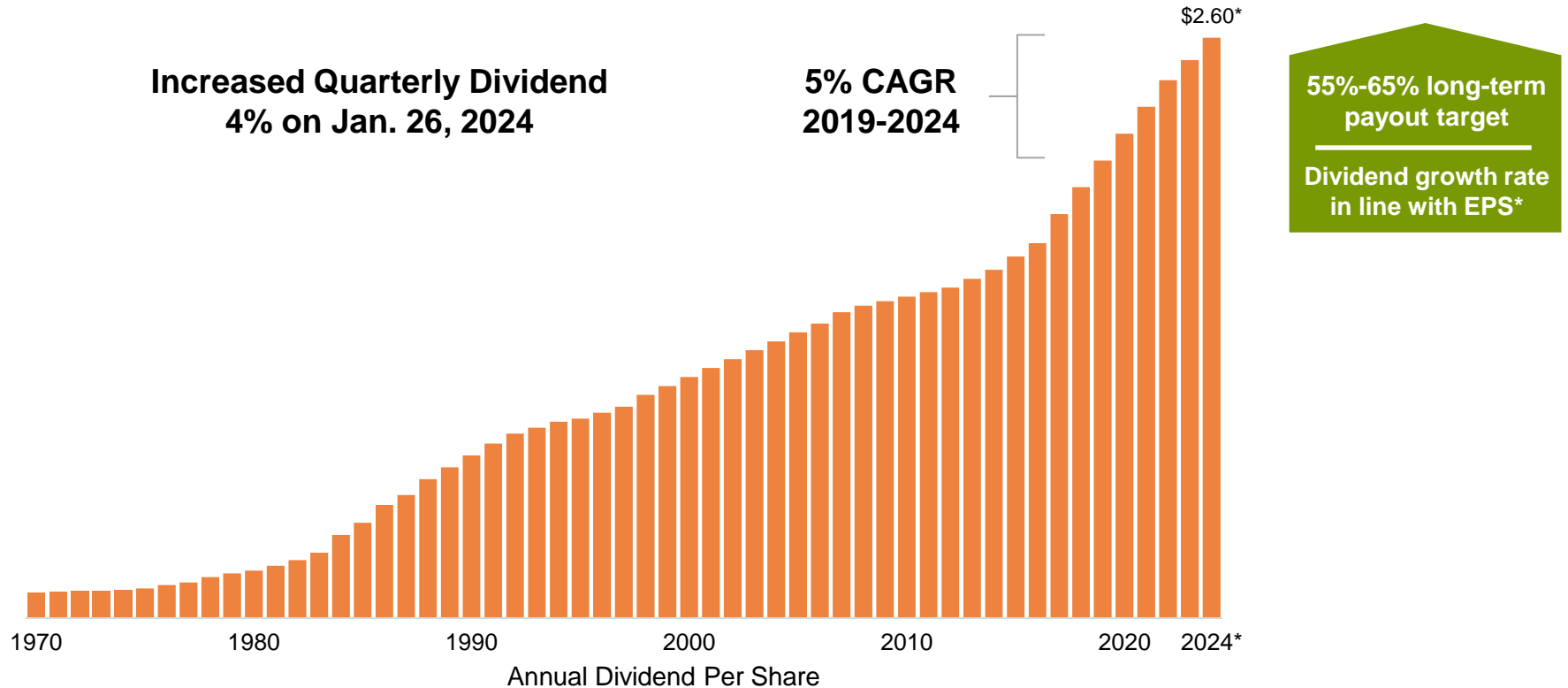
Net Debt to Capitalization* Improved 350 Basis Points in 2023



* Net of cash and cash equivalents; excludes noncontrolling interest

Dividend Track Record

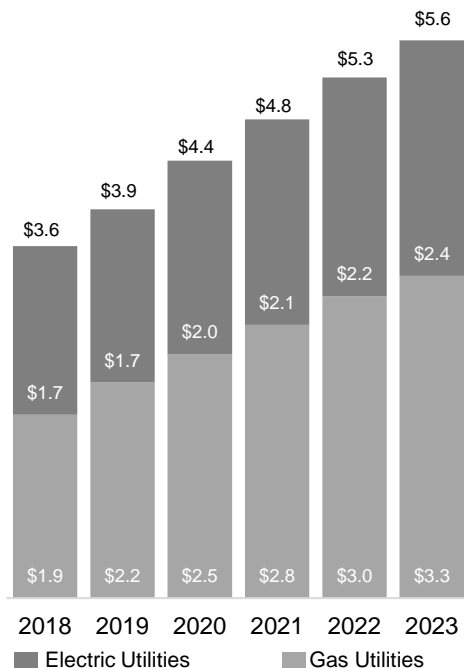
54 Consecutive Years of Annual Increases in 2024 and 82 Consecutive Years Paid*



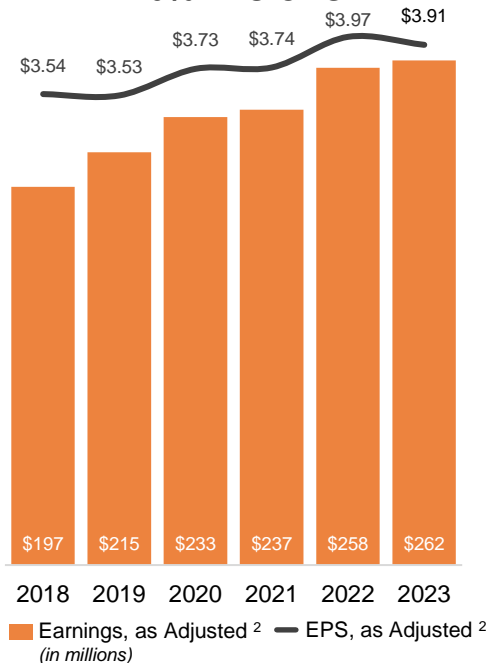
* Future dividends subject to board approval; 2024 dividend represents current quarterly dividend at annualized rate

Strategic Execution Delivers Results

9.6% Rate Base¹ CAGR



5.9% Earnings CAGR 2.0% EPS CAGR



5.3% Dividend CAGR 53 Years of Consecutive Increases in 2023



Invest for Customers

Earnings Growth

Dividend Growth

¹ Estimated in billions as of year end

² Earnings and EPS, as adjusted from continuing operations are non-GAAP measures; reconciled to GAAP in Appendix; earnings, as adjusted in millions

Serving Customer Needs Cost-Effectively



Electric Generation

- South Dakota: adding 100 MW of utility-owned renewables by mid-2026
- Colorado: ~400 MW of renewables by 2029 (50% utility ownership)
- Wyoming: filing electric resource plan in 2024 (required every three years)



Transmission and Storage

- Ready Wyoming electric transmission project approved; construction commenced on 260-mile project
- Evaluating other electric transmission and natural gas pipeline and storage opportunities



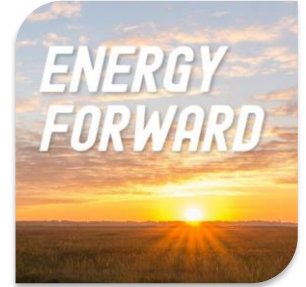
Data Centers and Blockchain

- 10+ years serving data centers
- Innovative tariffs in place in Wyoming
- Ideal location attributes in Cheyenne, Wyoming
- Evaluating new and existing expansion opportunities



Renewable Natural Gas

- 7 interconnects in service; 3 additional projects to be in service in 2024
- Acquired first RNG production facility at landfill in Iowa
- Pursuing other RNG opportunities across agricultural-rich territories



Moving Energy Forward

- Advancing culture of innovation and cross-functional, customer-focused collaboration
- Achieving quick wins for more effective and efficient processes
- Identifying and developing big-picture solutions

2024 Scorecard



Growth & Financial Performance

EPS, growth targets, credit metrics and utility growth

- Achieve earnings guidance
- Increase dividend 54th consecutive year
- Maintain solid BBB+ equivalent credit ratings and metrics
- Refinance \$600 million notes maturing August 2024
- Complete Arkansas Gas rate review (filed Q4 2023)
- File rate reviews for Iowa Gas and Colorado Electric
- Support expansion of new and existing data center and blockchain customers
- Expand RNG portfolio, including RNG production



Transformation

Implement simple processes and efficient systems that enable future business transformation

- Identify and deliver new process improvements
- Finalize implementation of field service management system
- Transition to new outage management system
- Complete data center migration to cloud
- Advance gas system mapping



Operational Excellence

Utilize consistent and efficient processes to deliver safe, reliable and cost-effective energy and a great customer experience

- Achieve internal customer satisfaction and effort scores
- Increase safety awareness and safety event reporting
- Deliver top-quartile customer reliability
- Execute \$840 million capital plan
- Finalize South Dakota 100 MW renewable project plans
- Advance Colorado Clean Energy Plan
- Execute pipeline replacement program supporting Net Zero by 2035 goal



People & Culture

Retain and attract a talented, engaged and thriving team

- Increase strong employee engagement scores
- Increase employee retention rates
- Increase internal career opportunities
- Achieve DART employee safety metric of 0.7 or less

Questions



Appendix



Responsibly Reducing GHG Emissions



ELECTRIC EMISSIONS

↓ **70%** by 2040¹
↓ **40%** by 2030¹

✓ **One-third reduction from 2005**

- Adding new renewable generation and integrate battery technology
- Retiring or converting remaining coal-fired power plants at end of engineered lives
- Supporting emissions reduction technologies

See more at www.blackhillsenergy.com/sustainability



NATURAL GAS EMISSIONS

↓ **Net Zero** by 2035²

- Replacing aging and at-risk materials
- Leveraging operational best practices and processes, leading technologies and advanced leak detection systems
- Targeting best-in-class third-party line hit reduction
- Integrating low-carbon fuels such as RNG and hydrogen

¹ Electric goals are based on greenhouse gas emissions intensity as compared to 2005 levels for Scope 1 emission on our owned electric generation and Scope 3 emissions for purchased power.

² Net Zero goal based on Scope 1 emissions of gas distribution systems, including fugitive emissions from pipeline mains and service lines, meters, transfer stations, system damages and blow downs.

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

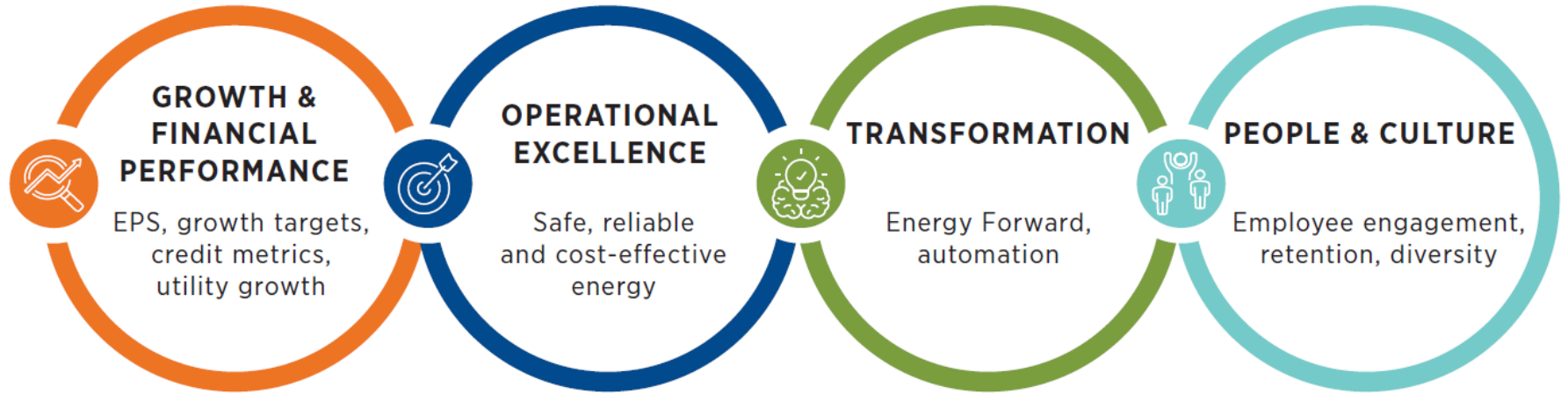
Leadership is an attitude. Everyone must demonstrate the care and initiative to do things right.



Safety

We commit to live and work safely every day.

Strategic Objectives



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

Annual Earnings and EPS, as adjusted	Earnings, as adjusted (in millions)						Earnings Per Share, as adjusted					
	2018	2019	2020	2021	2022	2023	2018	2019	2020	2021	2022	2023
Net income (loss) available for common stock (GAAP)	\$ 258.4	\$ 199.3	\$ 227.6	\$ 236.7	\$ 258.4	\$ 262.2	\$ 4.66	\$ 3.28	\$ 3.65	\$ 3.74	\$ 3.97	\$ 3.91
Loss from discontinued operations (GAAP)	6.9	-	-	-	-	-	0.12	-	-	-	-	-
Net income from continuing operations available for common stock (GAAP)	265.3	199.3	227.6	236.7	258.4	262.2	4.78	3.28	3.65	3.74	3.97	3.91
<u>Adjustments, after tax</u>												
Tax reform and other tax items	4.0	-	-	-	-	-	0.07	-	-	-	-	-
Legal restructuring - income tax benefit	(72.8)	-	-	-	-	-	(1.31)	-	-	-	-	-
Impairment of investment	-	15.2	5.3	-	-	-	-	0.25	0.08	-	-	-
Total Non-GAAP adjustments	(68.8)	15.2	5.3	-	-	-	(1.24)	0.25	0.08	-	-	-
Net income from continuing operations available for common stock, as adjusted (Non-GAAP)	\$ 196.5	\$ 214.5	\$ 232.9	\$ 236.7	\$ 258.4	\$ 262.2	\$ 3.54	\$ 3.53	\$ 3.73	\$ 3.74	\$ 3.97	\$ 3.91

Capital Structure

(\$ in millions)

	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Capitalization					
Short-term Debt	\$ 1,061	\$ 525	\$ 525	\$ 1,125	\$ 600
Long-term Debt	3,607	3,954	3,956	3,800	3,801
Total Debt	4,668	4,479	4,481	4,925	4,401
Equity*	2,995	3,098	3,110	3,167	3,215
Total Capitalization	\$ 7,663	\$ 7,577	\$ 7,591	\$ 8,092	\$ 7,617
Net Debt to Net Capitalization					
Debt	\$ 4,668	\$ 4,479	\$ 4,481	\$ 4,925	\$ 4,401
Cash and Cash Equivalents	(21)	(39)	(153)	(594)	(87)
Net Debt	4,647	4,440	4,328	4,330	4,315
Net Capitalization	\$ 7,642	\$ 7,538	\$ 7,438	\$ 7,498	\$ 7,530
Debt to Capitalization	60.9%	59.1%	59.0%	60.9%	57.8%
Net Debt to Capitalization (Net of Cash)	60.8%	58.9%	58.2%	57.8%	57.3%
Long-term Debt to Total Debt	77.3%	88.3%	88.3%	77.2%	86.4%



Black Hills Corporation
Ready