2017 Year End Earnings Conference Call

March 1, 2018

Southwest Gas™
HOLDINGS

Participants

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Safe Harbor Statement

This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission (SEC). 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. These include, without limitation, our 2018 expectations for our construction services and natural gas operations segments, as well as statements regarding our expansion projects and other investment opportunities.

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 Part I, Item 1A “Risk Factors,” and Part II, Item 7 and Item 7A “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Quantitative and Qualitative Disclosure about Market Risk” of our 2017 Annual Report on Form 10-K filed with the SEC, and other reports that we file with the SEC from time to time, and the following:

- The timing and amount of rate relief;
- Changes in operating expenses;
- Changes in rate design, infrastructure tracking mechanisms;
- Customer growth rates;
- Conditions in housing markets;
- The effects of regulation/deregulation;
- The impacts of construction activity at our construction services segment;
- The impacts from acquisitions;
- The impacts of stock market volatility; 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. The statements in this presentation are made as of the date hereof, even if subsequently made available on our Web site or otherwise. We do not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

2017 Highlights

Southwest Gas HOLDINGS

Consolidated Results

- Achieved record EPS of $4.04
- Dividend increased for the 12th straight year
- Shareholders approved elimination of cumulative voting
- Acquired the residual 3.4% equity interest in Centuri in August 2017

Natural Gas Segment

- Operating margin increased $23 million over 2016
- Added 31,000 customers
- Achieved milestone of 2 million customers in November 2017
- Invested $560 million in our gas distribution system

Construction Services Segment

- Achieved record revenues of over $1.2 billion
- Amended its credit and term loan facility, increasing borrowing capacity to $450 million
- Completed acquisition of Neuco in November 2017
- NPL Celebrated its 50th Anniversary

CFO Succession

Roy Centrella retirement effective April 1, 2018

Greg Peterson, new Senior Vice President and CFO

Call Outline

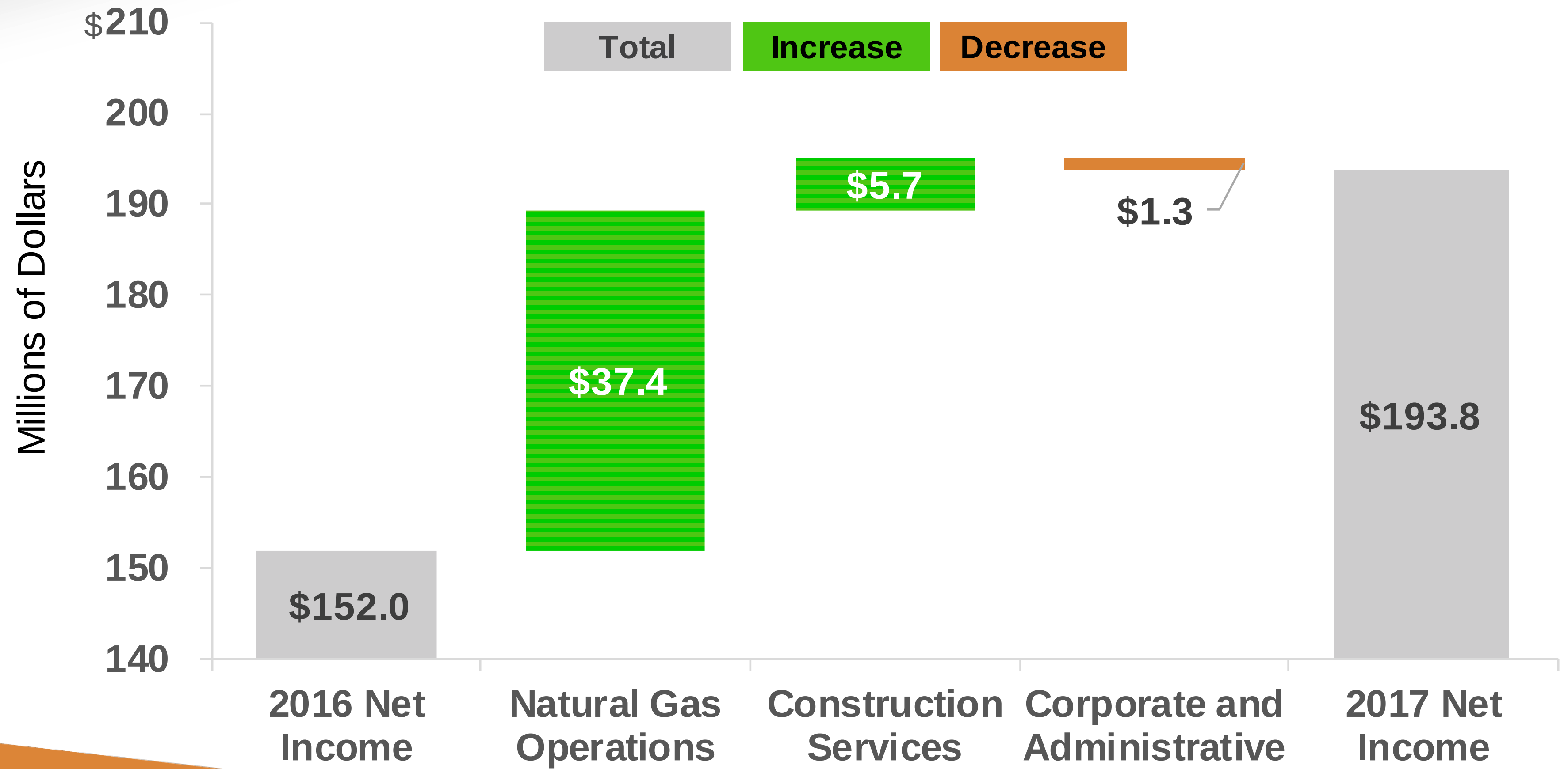
- I — 2017 consolidated earnings
- II — Natural gas operations
- III — Construction Services
- IV — Regulation
- V — Customer growth & economic overview
- VI — Capital expenditures & rate base growth
- VII — Dividend growth
- VIII — 2018 expectations & focus

Summary Operating Results
(In thousands, except per share amounts)

	TWELVE MONTHS ENDED DECEMBER 31,		
	2015	2016	2017
Results of Consolidated Operations			
Contribution to net income - natural gas operations	$ 111,625	$ 119,423	$ 156,818
Contribution to net income - construction services	26,692	32,618	38,360
Corporate and administrative	-	-	(1,337)
Net income	$ 138,317	$ 152,041	$ 193,841
Basic earnings per share	$ 2.94	$ 3.20	$ 4.04
Diluted earnings per share	$ 2.92	$ 3.18	$ 4.04

Consolidated Net Income

Total Increase - $41.8 million



Tax Reform

- Tax Cuts and Job Acts (TCJA) signed into law on December 22, 2017
- Corporate federal tax rate reduced from 35% to 21%
- Direct benefit to construction services segment
- Eliminates bonus depreciation for utility plant
- Utilities exempt from limits on interest deductions
- Going forward:
  - Customers will benefit through reductions in future rates
  - The elimination of bonus depreciation and lower tax rate reduces utility cash flows, once reflected in future rate changes
  - Higher rate base growth as a result of lower deferred taxes in the future

2017 Tax Reform Impacts

Southwest Gas HOLDINGS

2017 impact due to the revaluation of net deferred tax liabilities

Natural Gas Operations:

- Non-recurring tax benefit of $8 million (deferred tax balances not associated with utility plant)
- Increase in regulatory liabilities of $430 million (deferred tax balances associated with utility plant)
- The excess deferred taxes recorded as a regulatory liability will be passed back to customers, generally through reductions in future rates

Construction Services:

- Non-recurring tax benefit of $12 million

- While deferred tax liabilities were substantially reduced due to tax reform, they were not impactful to operating cash flows in 2017
- Moody’s (Jan-2018) and S&P (Feb-2018) reaffirmed current credit ratings

2018 Estimated Tax Reform Impacts

Southwest Gas HOLDINGS

Natural Gas Operations:

- State regulatory actions initiated, but differ by state
- 2018 cash flows are not expected to be materially impacted
- Effective tax rate difficult to predict pending regulatory actions
- Income statement line item variances may be created without bottom line impact as regulatory changes are reflected

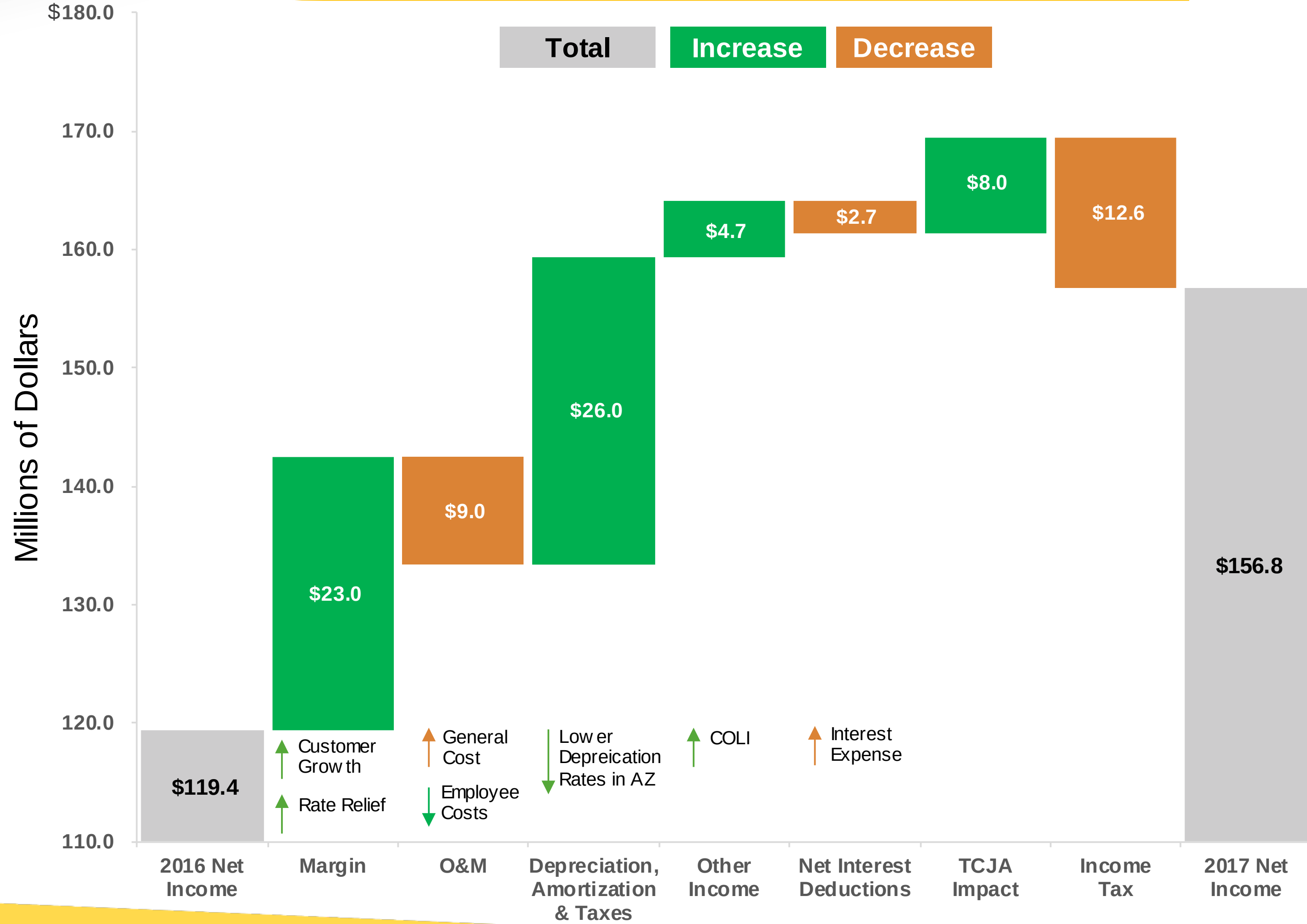
Construction Services:

- Effective income tax rate reduced to 27% - 28%
- No anticipated impact to interest deductibility
- Retention of benefits difficult to predict over time due to competitive nature of bidding process

Net Income

Natural Gas Operations

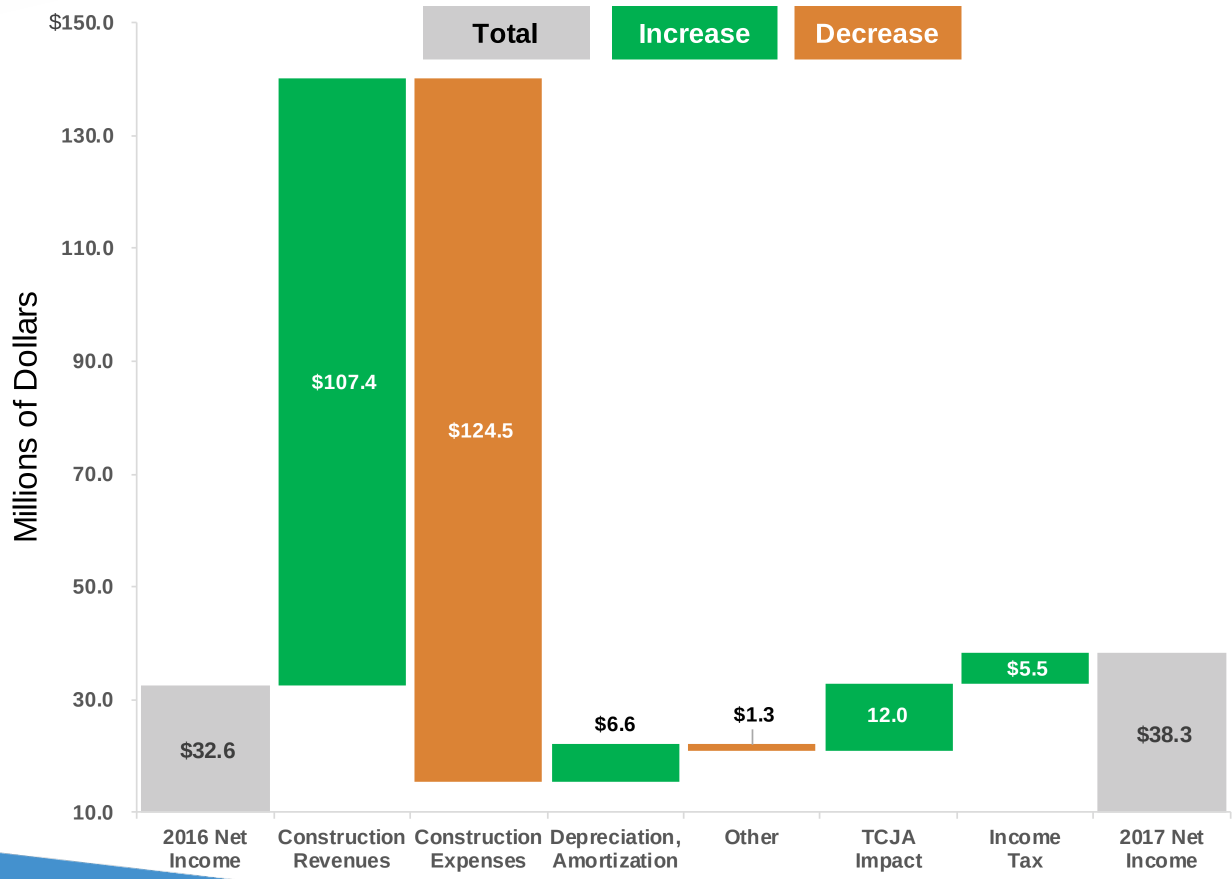
Total Increase - $37.4 million



Net Income

Construction Services

Total Increase - $5.7 million



Regulation Key Highlights

Natural Gas Operations

SOUTHWEST GAS

Regulatory Proceedings

- Arizona Rate Case Settlement
- Next Nevada Rate Case
- Next California Rate Case
- Tax Reform Proceedings

Infrastructure Replacement Programs

- Arizona Customer-Owned Yard Line (COYL) program
- Arizona Vintage Steel Pipe Replacement (VSP) program
- Nevada Gas Infrastructure Replacement (GIR) program

Expansion Projects

- Filed for pre-approval to extend natural gas services to Mesquite, Nevada (SB 151)
- Liquefied Natural Gas (LNG) facility in Arizona – construction proceeding
- 2018 expansion project – Paiute Pipeline Company (FERC regulated)

Regulation – Rate Relief

Natural Gas Operations

SOUTHWEST GAS

Arizona Rate Case Settlement	New rates effective April 1, 2017 Impact to operating income: ▪ 2017 - $45 million ▪ 2018 - $16 million Rate case moratorium until May 2019
Next Nevada Rate Case	Commitment to file before June 2018 New rates expected to be effective January 2019
Next California Rate Case	CPUC approved Southwest's request to extend rate case cycle Expected to file next rate case by September 2019 Continuation of post test year annual attrition increases of 2.75% through 2020 ▪ Incremental revenue of $2.7 million effective January 2018

Tax Reform Proceedings

Arizona

- The Commission issued an order February 6 directing all utilities to apply regulatory accounting treatment, including regulatory assets and liabilities, to track all impacts resulting from tax reform and to file plans within 60 days for how to address ratemaking impacts

Nevada

- The Commission opened a docket and directed utilities to file written comments by April 4 on how the utility plans to adjust rates or otherwise pass on savings to customers associated with tax reform changes

California

- As part of Commission approved agreement to extend rate case cycle, Southwest was directed to establish a memorandum account to track changes resulting from changes in tax law, procedure or policy

Paiute

- No Federal Energy Regulatory Commission directives to Paiute regarding tax reform

Regulation - Infrastructure Replacement Programs

Natural Gas Operations

SOUTHWEST GAS

Arizona COYL

- $54 million of cumulative expenditures as of December 31, 2017
  - $23.1 million included in authorized rate base with recovery embedded in new rates
  - $30.9 million included as part of current mechanism (2016 expenditures of $12.1 million)
- ACC approved surcharge revenue of $1.8 million effective June 2017
- Pending ACC filing requests surcharge revenue of $4.2 million effective June 2018
  - Incremental revenue of $2.4 million associated with the 2017 expenditures of $18.8 million

Regulation - Infrastructure Replacement Programs

Natural Gas Operations

Arizona VSP

- Approved as part of last general rate case
- 2017 Partial Year of Activity
  - Installed 40 miles of VSP at a cost of $27 million
- Pending ACC filing requests surcharge revenue of $3.1 million effective June 2018
- Targeting VSP replacement projects of $100 million in 2018

Regulation - Infrastructure Replacement Programs

Natural Gas Operations

SOUTHWEST GAS

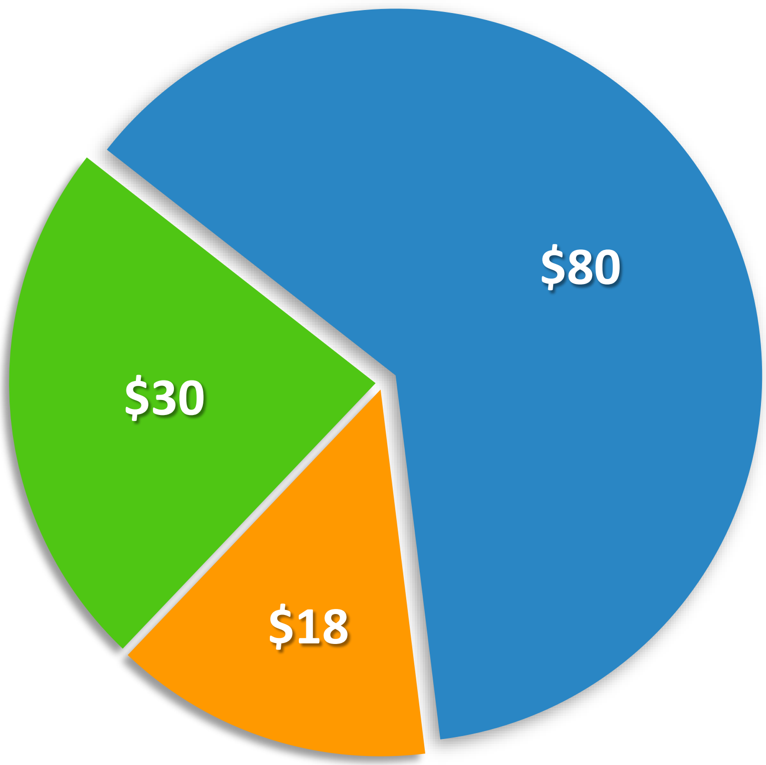
Nevada GIR

- 2017 Results
  - PUCN authorized $57.3 million replacement work for construction in 2017
  - PUCN approved surcharge revenue of approximately $4.5 million effective January 2017
- 2018 Planned Activities
  - PUCN authorized $65.7 million replacement work for construction in 2018
  - PUCN approved surcharge revenue of approximately $8.7 million effective January 2018 ($4.2 million was incremental revenue)

Regulation – Expansion Projects

Natural Gas Operations

$ in millions



ARIZONA LNG FACILITY

- Approved $80 million, 233,000 dekatherm LNG facility
- Construction underway, $34.8 million spent through December 2017
- Construction expected to be completed by end of 2019

SOUTHERN NEVADA EXPANSION

- Filed for pre-approval to expand natural gas services to Mesquite, Nevada, in accordance with the SB 151 regulations
- Proposed estimated cost of $30 million

PAIUTE PIPELINE COMPANY EXPANSION

- Proposed $18 million project consists of approximately 8.5 miles of additional pipeline infrastructure
- Paiute filed a formal FERC certificate application in July 2017
- The new facility is expected to be in place by the end of 2018

Customer Growth

Natural Gas Operations

(In Thousands)

	Twelve Months Ended December 31,			Projected Customer Growth		
	2015	2016	2017*	2018	2019	2020
Beginning period	1,930	1,956	1,984			
Net Customer Adds	26	28	31	32	33	34
Ending period	1,956	1,984	2,015			

*Achieved 2 million natural gas utility customers in early November 2017

Economic Overview – Service Area

Natural Gas Operations

SOUTHWEST GAS

	Unemployment Rate		Employment Growth	
	Dec 2016	Dec 2017	Dec 2016	Dec 2017
Southern California [1]	5.2%	4.1%	2.9%	3.4%
Southern Nevada [2]	5.0%	4.9%	2.6%	3.1%
Northern Nevada [3]	5.0%	4.4%	-0.4%	3.3%
Southern Arizona [4]	4.3%	4.2%	0.4%	0.5%
Central Arizona [4]	4.1%	3.9%	1.4%	1.8%

1 [Source: State of California Employment Development Department, California Labor Market Review, http://www.labormarketinfo.edd.ca.gov

2 [Source: Nevada Department of Employment, Training and Rehabilitation (DETR), Economy In Brief, http://nevadaworkforce.com

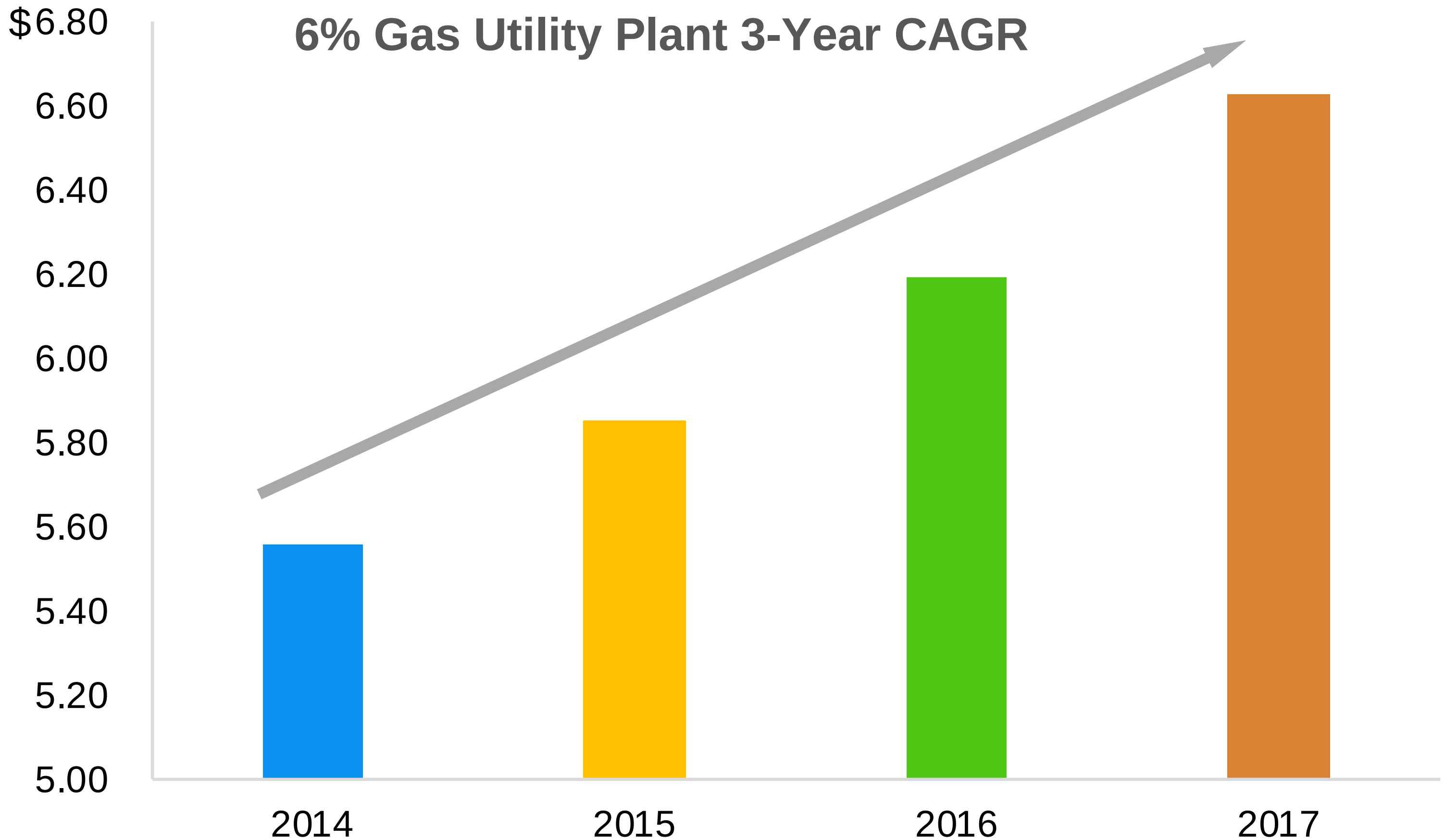
3 [Source: Nevada DETR, Data Search: Total Employment (Carson City, Churchill, Douglas, Elko, Humbolt, Lyon, and Pershing Counties, http://nevadaworkforce.com

4 [Source: Arizona Office of Employment & Population Statistics, Employment Report, https://laborstats.az.gov/

Gas Utility Plant - Growth

Natural Gas Operations

(In billions)

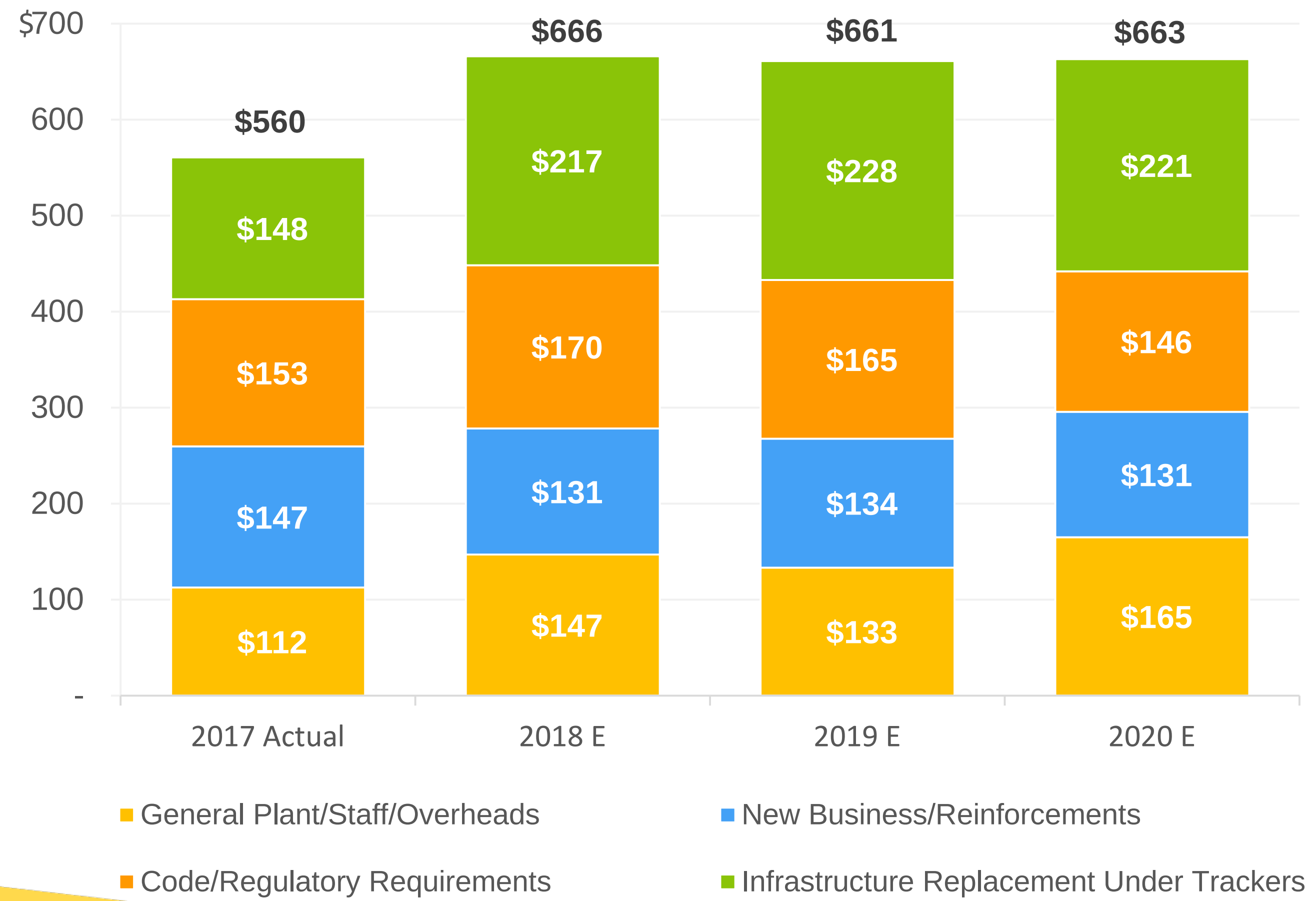


CAGR = compound annual growth rate

Capital Expenditures

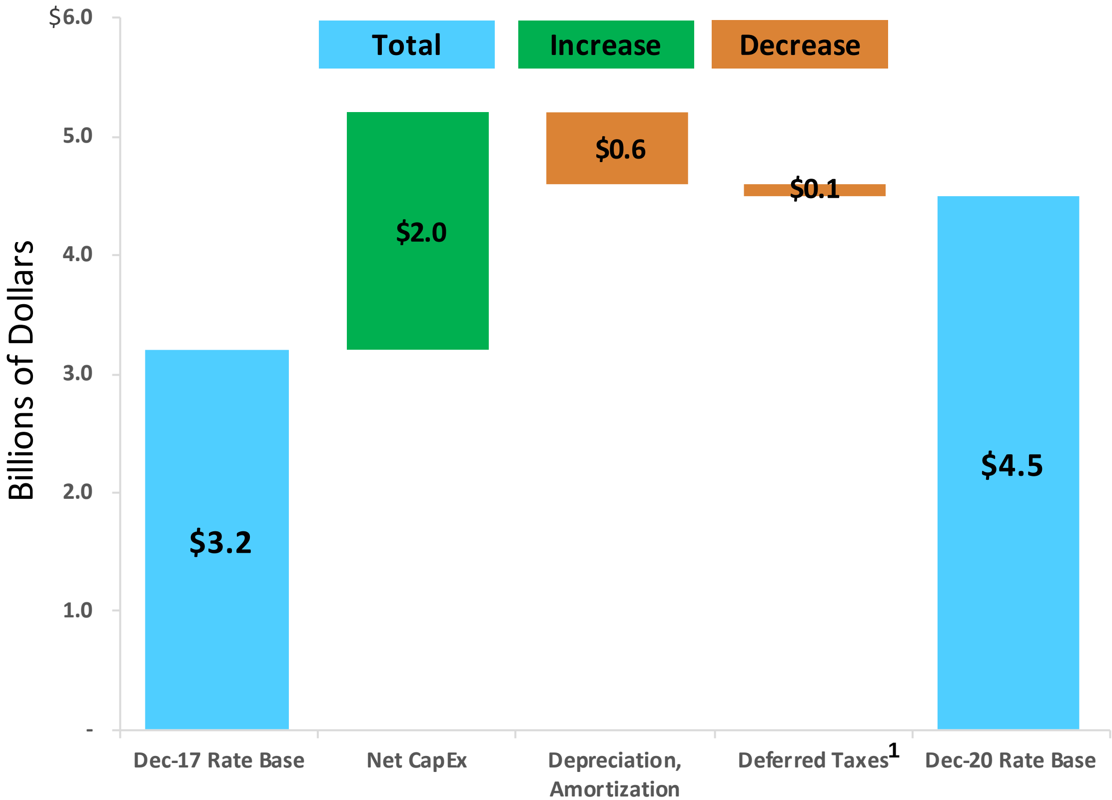
Natural Gas Operations

(In millions)



2018-2020 estimate of $2 billion

Projected Rate Base Growth
Natural Gas Operations

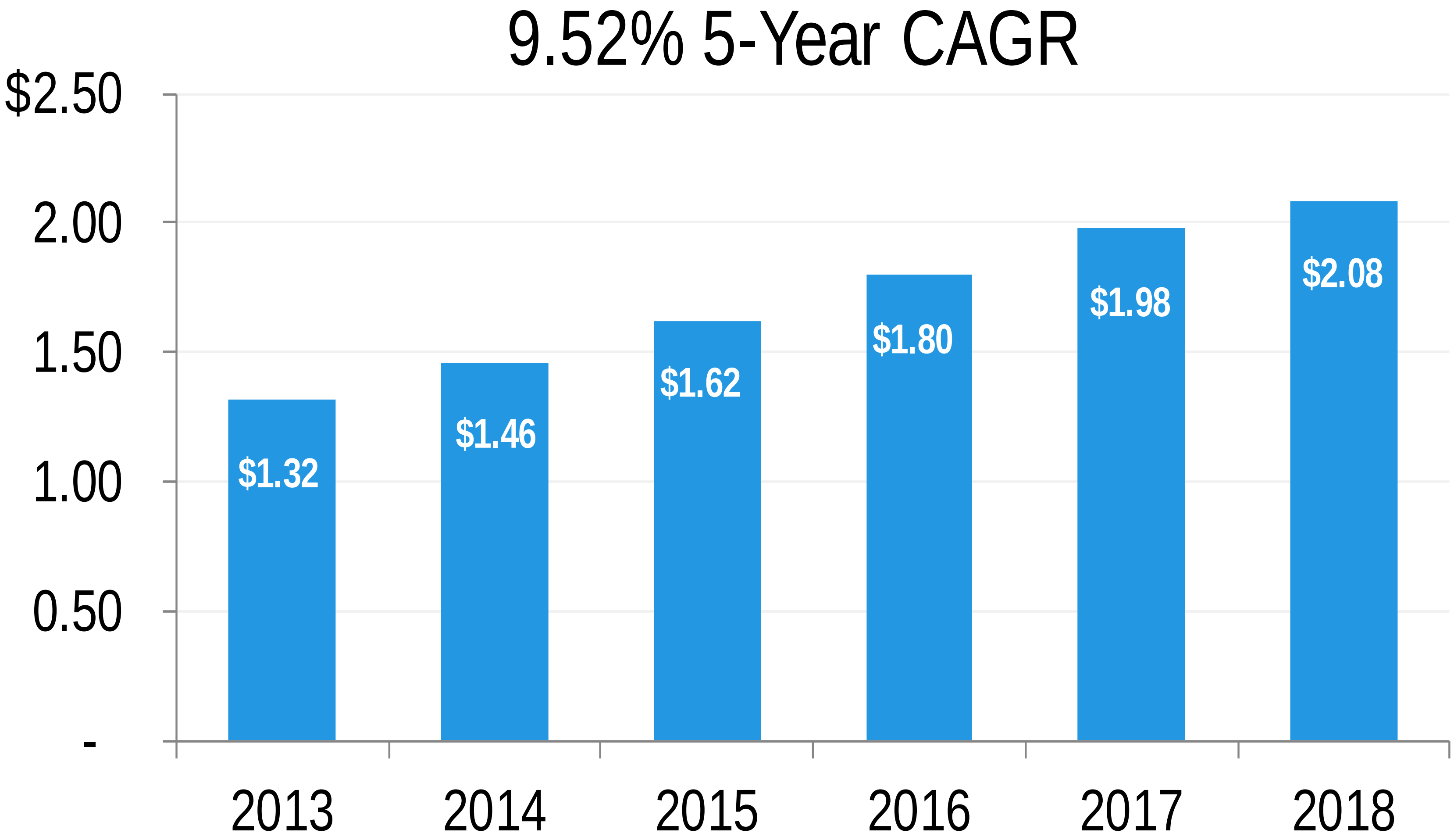


Rate base amounts reflect estimated total investment in facilities necessary to provide utility service. This is different than our authorized rate base, which is the rate base investment that has been approved by our regulatory bodies and that is reflected in rates.

- Projecting 12.0% CAGR in rate base over next 3 years

[1] Includes changes in the regulatory liability created due to tax reform.

Dividend Growth



CAGR = compound annual growth rate

2018 Financial Influences

Natural Gas Operations

- Customer growth estimated at 1.6%
- Capital expenditure levels will necessitate financing activity
- Remaining Arizona rate relief will run through the first quarter
- Pension expense to increase $8 million due to low interest rates at December 31, 2017
- Effective income tax rate difficult to predict due to regulatory actions underway

Construction Services

- Neuco full year results expected to drive revenue growth
- Customer negotiations on water contract not factored into forecast
- Lower tax rates are beneficial overall, but will increase magnitude of seasonally low (loss) first quarter results

2018 expectations can be useful in estimating a range for net income. However, income statement line item variances may occur when compared to actual results due to potential regulatory requirements arising from tax reform.

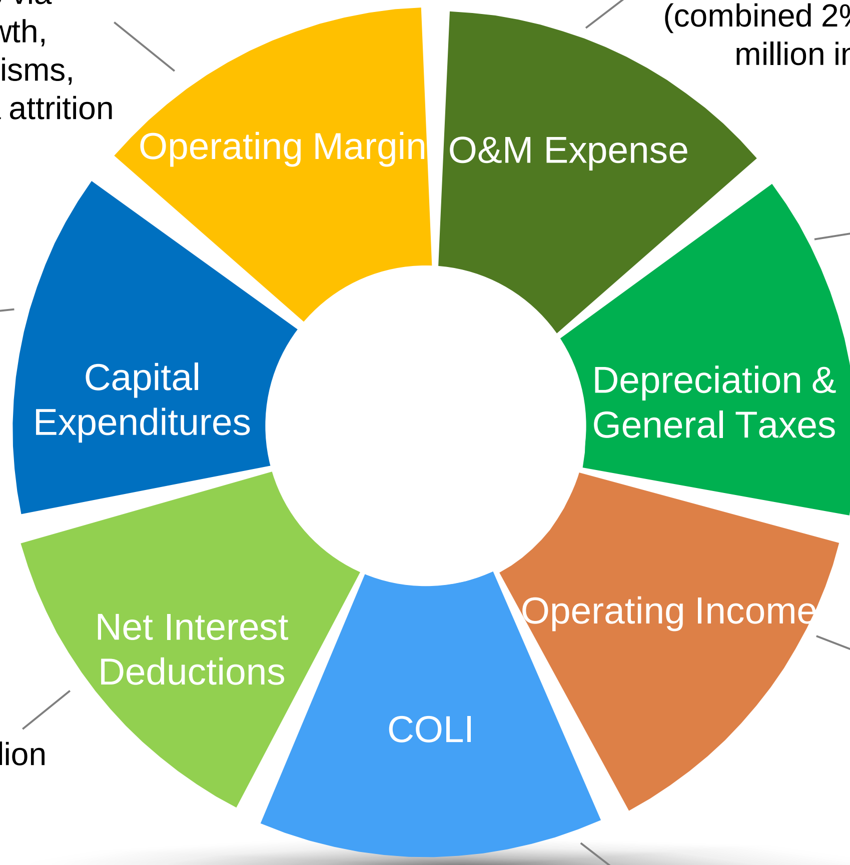
2018 Expectations

Natural Gas Operations

SOUTHWEST GAS

Increase of approximately 2% via combination of customer growth, infrastructure recovery mechanisms, expansion projects, and California attrition

Expected to track generally with inflationary changes and customer growth rates (combined 2%-3%), plus the impacts of $8 million increase in pension costs



Estimated at approximately $670 million, in support of customer growth, system improvements, and accelerated pipe replacement projects

Expected to be flat relative to 2017 due to the depreciation rate reduction in our last Arizona general rate case settlement (effective April 2017)

Expected to be flat compared to 2017

Expected to be $9 – $11 million higher relative to 2017

Average normal returns of $3 – $5 million
Continue to be subject to volatility, evidenced by swing over the last two years

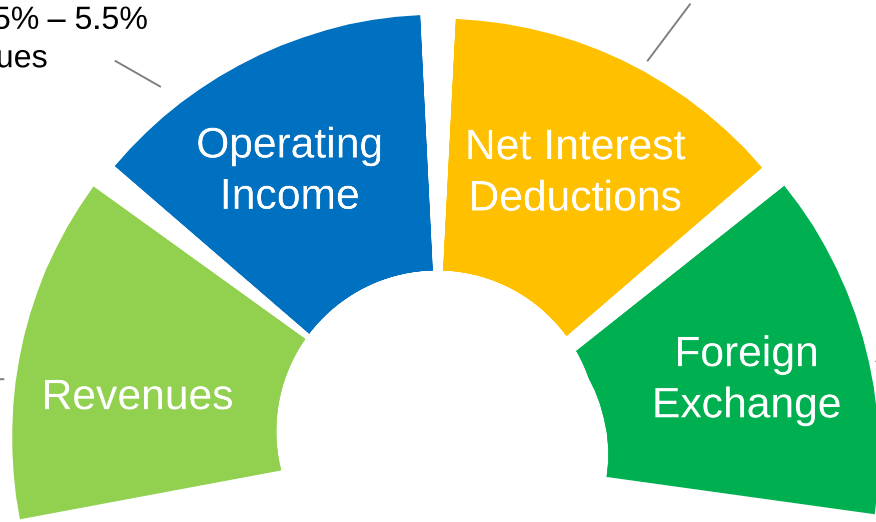
The expectations do not include impacts from recent tax legislation. Impacts to various items (including revenue and expenses) may result from the regulatory process in our service territories. The one-time benefit due to the remeasurement of deferred tax balances will not recur.

2018 Expectations

Construction Services

Approximating 5% – 5.5% of revenues

Expected to be between $11 – $12 million



Expected growth 5% – 7% greater than 2017

Changes in foreign exchange rates could influence outcomes

Centuri expects to benefit from the decline in U.S. federal income tax rates during 2018, but the one-time benefit due to the remeasurement of deferred tax balances will not recur.

Effective income tax rates estimated to be in the 27% – 28% range.

APPENDIX

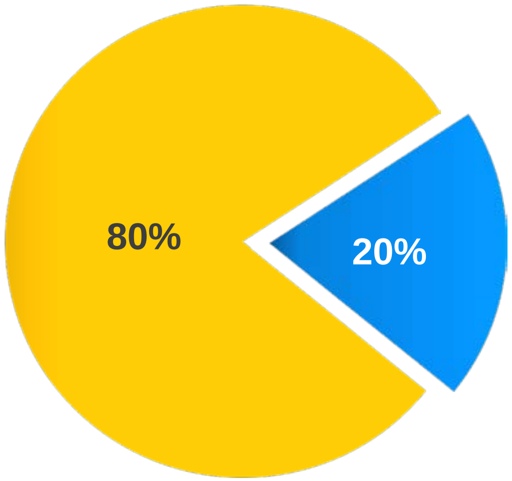
Business Segments & Net Income

Natural Gas Operations

Construction Services

$194MM

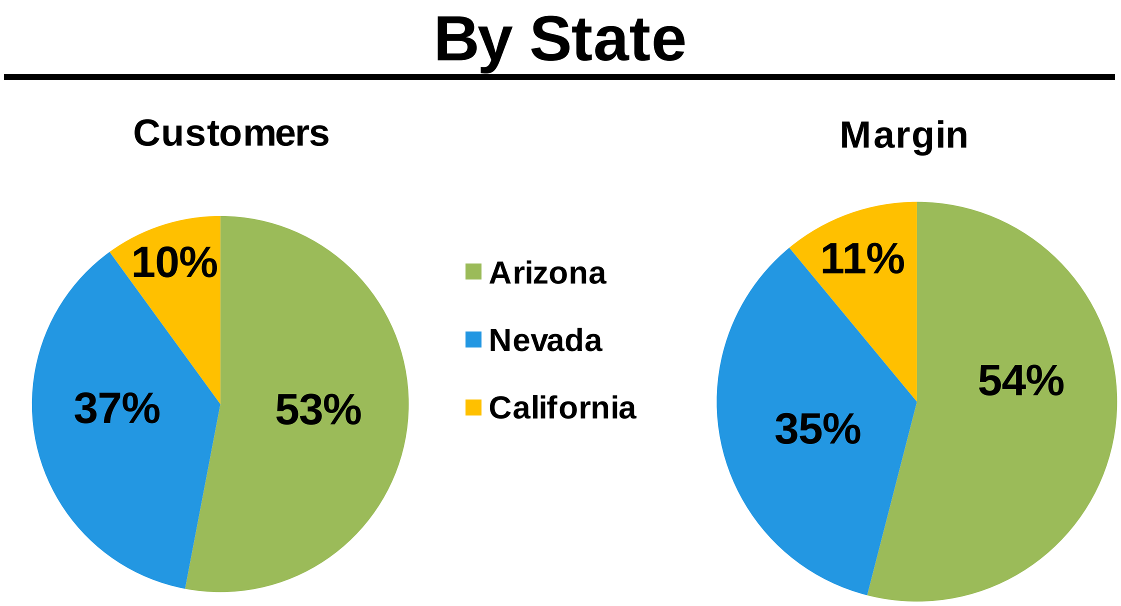
TMTD 12/31/17 Net Income

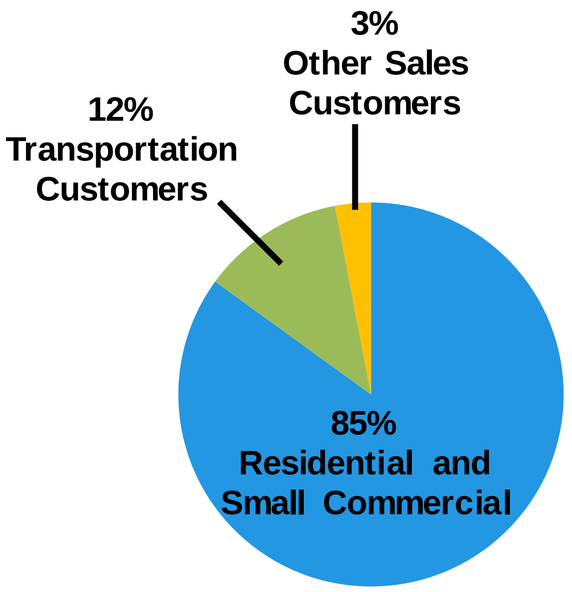


Stable Customer Base

Natural Gas Operations

TMTD December 31, 2017 Customer & Operating Margin Distribution





Consistent trends year over year

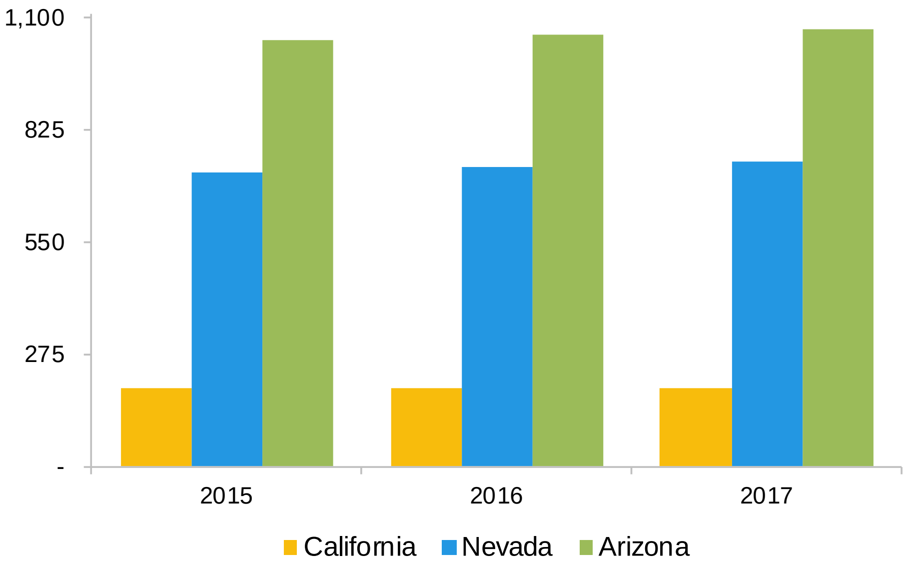
Customers by State

Natural Gas Operations

(In thousands)

As of December 31,

	2015	2016	2017
Arizona	1,045	1,058	1,073
Nevada	720	733	747
California	191	193	195
Total	1,956	1,984	2,015



Summary Operating Results

Natural Gas Operations

(In thousands)

	TWELVE MONTHS ENDED DECEMBER 31,	
	2017	2016
Results of Natural Gas Operations		
Gas operating revenues	$ 1,302,308	$ 1,321,412
Net cost of gas sold	355,045	397,121
Operating margin	947,263	924,291
Operations and maintenance expense	410,745	401,724
Depreciation and amortization	201,922	233,463
Taxes other than income taxes	57,946	52,376
Operating income	276,650	236,728
Other income (deductions)	13,036	8,276
Net interest deductions	69,733	66,997
Income before income taxes	219,953	178,007
Income tax expense	63,135	58,584
Segment net income	$ 156,818	$ 119,423

Other Income and Deductions

Natural Gas Operations

(In thousands)

	TWELVE MONTHS ENDED DECEMBER 31,		
	2015	2016	2017
Change in COLI policies	$ (500)	$ 7,400	$ 10,300
Interest income	1,754	1,848	2,784
Equity AFUDC	3,008	2,289	2,296
Miscellaneous income and (expense)	(1,970)	(3,261)	(2,344)
Total other income (deductions)	$ 2,292	$ 8,276	$ 13,036

Purchased Gas Adjustment (PGA) Balances

Natural Gas Operations

(In thousands)

	As of December 31,			
	2017		2016	
Arizona	$	5,069	$	(20,349)
Northern Nevada		8,189		(3,339)
Southern Nevada		(6,841)		(66,788)
California		1,323		2,608
Total Receivable/(Payable)	$	7,740	$	(87,868)

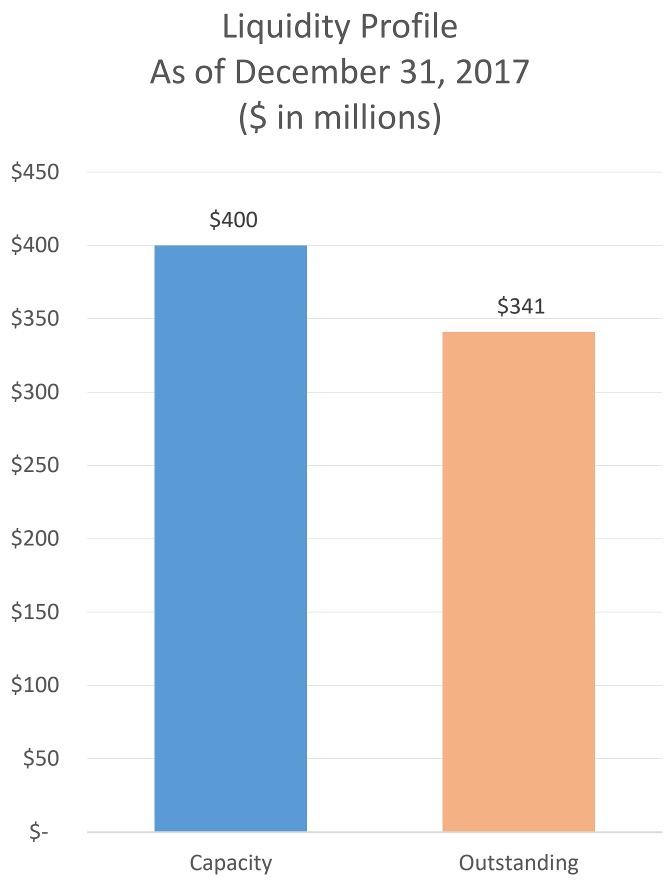
Liquidity Profile
Natural Gas Operations

Access to sufficient liquidity to support capital expenditure and working capital needs, including:

- Stable operating cash flows
- $400 million revolving credit facility
  - Expires in March 2022
  - $150 million of the facility designated long-term debt and remaining $250 million as working capital
- $50 million uncommitted commercial paper program

As of December 31, 2017

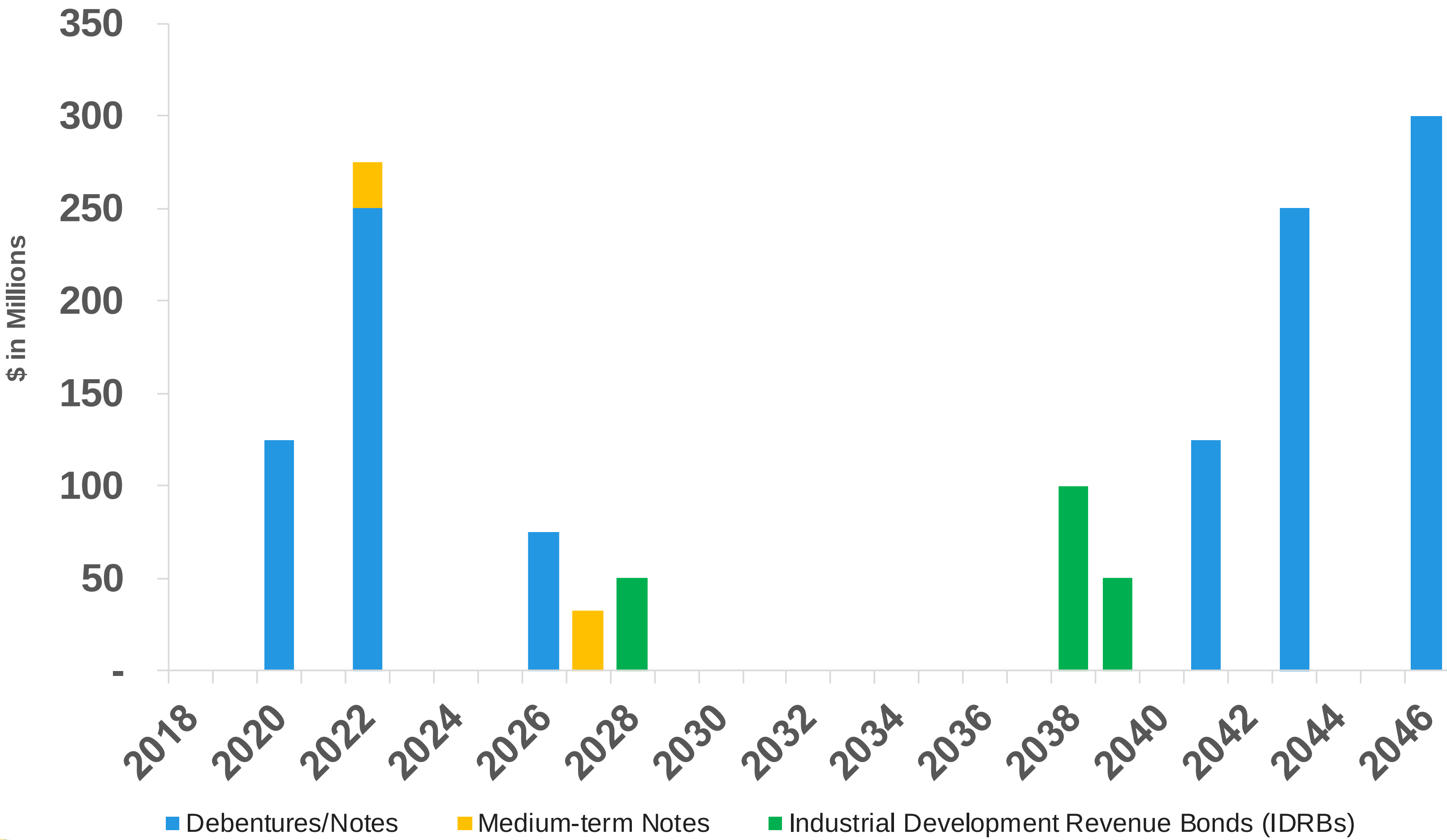
- $291 million of LIBOR loans
- $50 million of commercial paper
- Available borrowing capacity of $59 million



Long-Term Debt Maturity Schedule[1]

at December 31, 2017

SOUTHWEST GAS



[1] Does not include the long-term portion of the $400 million Revolving Credit Facility, due March 2022

Authorized Rate Base and Rates of Return

Natural Gas Operations

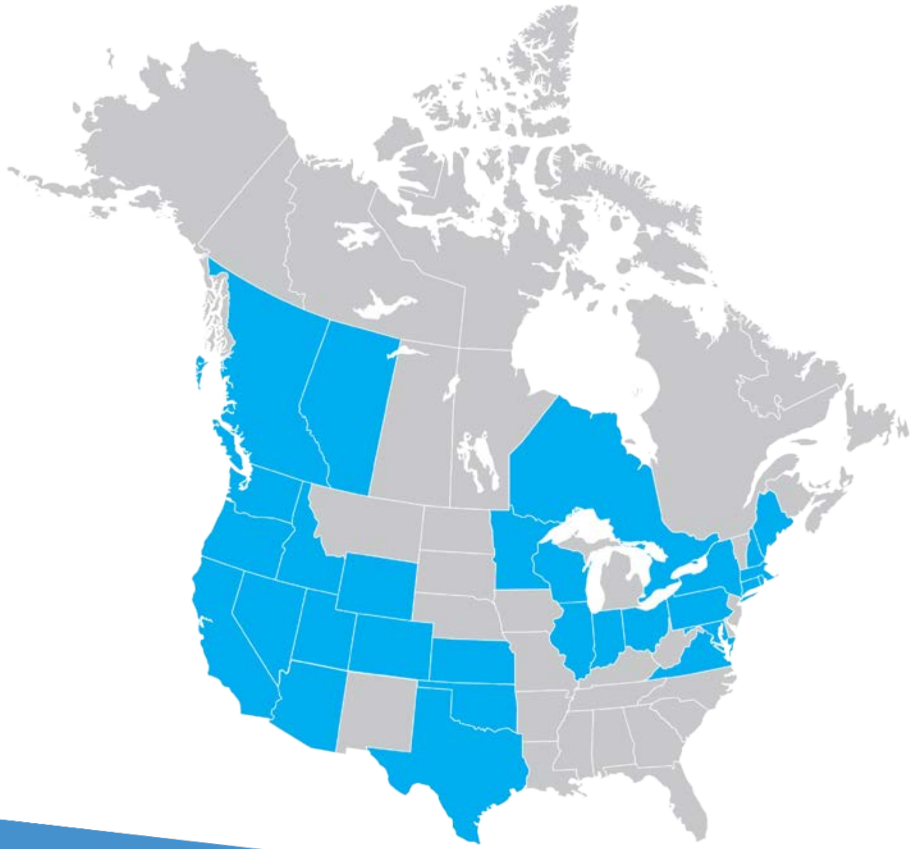
Rate Jurisdiction	Authorized Rate Base (In thousands)	Authorized Rate of Return	Authorized Return on Common Equity	Decoupled	Authorized Common Equity Ratio
Arizona	$ 1,324,902	7.42 %	9.50 %	✓	52.30 %
Southern Nevada	825,190	6.46	10.00	✓	42.74
Northern Nevada	115,933	7.88	9.30	✓	59.06
Southern California	159,277	6.83	10.10	✓	55.00
Northern California	67,620	8.18	10.10	✓	55.00
South Lake Tahoe	25,389	8.18	10.10	✓	55.00
Paiute Pipeline Company (1)	87,158	8.46	11.00	✓	51.75

(1) Estimated amounts based on rate case settlement.

ACC – Arizona Corporation Commission
PUCN - Public Utilities Commission of Nevada
CPUC - California Public Utilities Commission
FERC - Federal Energy Regulatory Commission

Centuri Construction Group
Construction Services

- Headquartered in Phoenix, Arizona
- Operates in 25 markets across U.S. and Canada
- One of North America's largest full-service underground pipeline contractors



Centuri Construction Group

Construction Services

CENTURI CONSTRUCTION GROUP

Greater Minnesota Gas, Inc.
AVISTA
NIPSCO
City of Dallas
TORONTO
ONE Gas
Southern Connecticut Gas Service First!
ENBRIDGE
ATMOS energy
DAKOTA ELECTRIC ASSOCIATION
NiSource
UniSourceEnergy SERVICES
SOUTHWEST GAS
MINNESOTA ENERGY RESOURCES
CenterPoint. Energy
PEOPLES GAS NATURAL GAS DELIVERY
Washington Gas A WGL Company
Unitil
aps
TransCanada In business to deliver
Nicor Gas
Dominion Energy
nationalgrid
NVEnergy
SoCalGas A Sempra Energy utility
we energies
UDOT udot.utah.gov
AVANGRID
Columbia Gas
uniongas An Enbridge Company
BGE An Exelon Company

Summary Operating Results

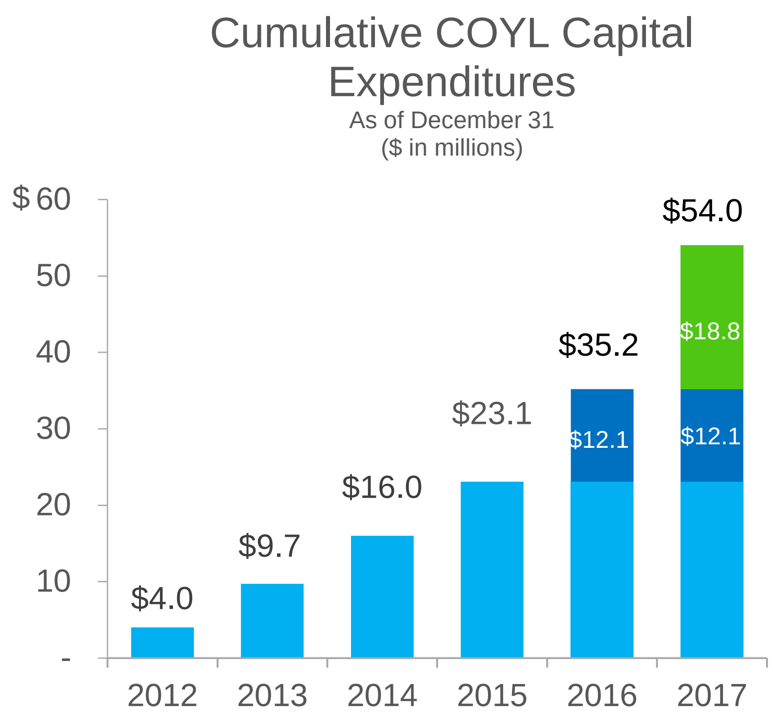
Construction Services

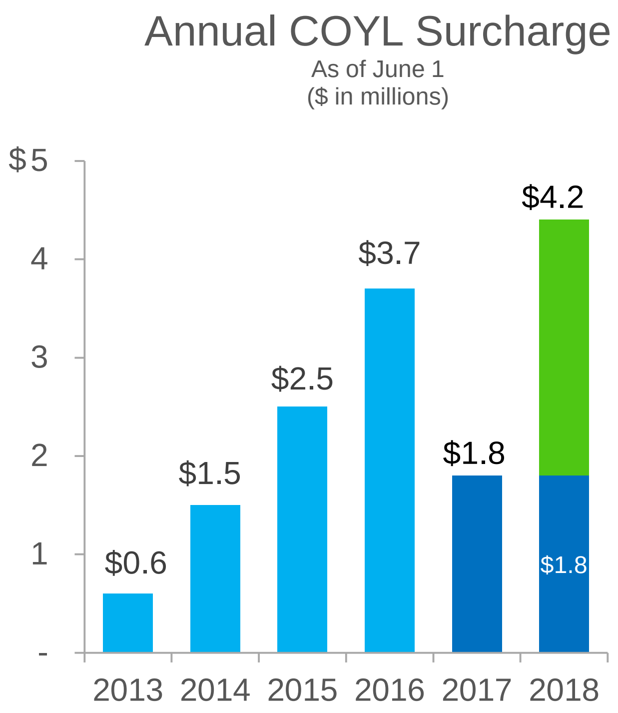
(In thousands)

	TWELVE MONTHS ENDED DECEMBER 31,	
	2017	2016
Construction revenues	$ 1,246,484	$ 1,139,078
Construction expenses	1,148,963	1,024,423
Depreciation and amortization	49,029	55,669
Operating income	48,492	58,986
Other income (deductions)	345	1,193
Net interest deductions	7,986	6,663
Income taxes	2,390	19,884
Noncontrolling interests	101	1,014
Segment net income	$ 38,360	$ 32,618

Regulation – Infrastructure Replacement Programs

Arizona COYL program first began in 2012, was continued and expanded with rate case, and reset as of January 1, 2016



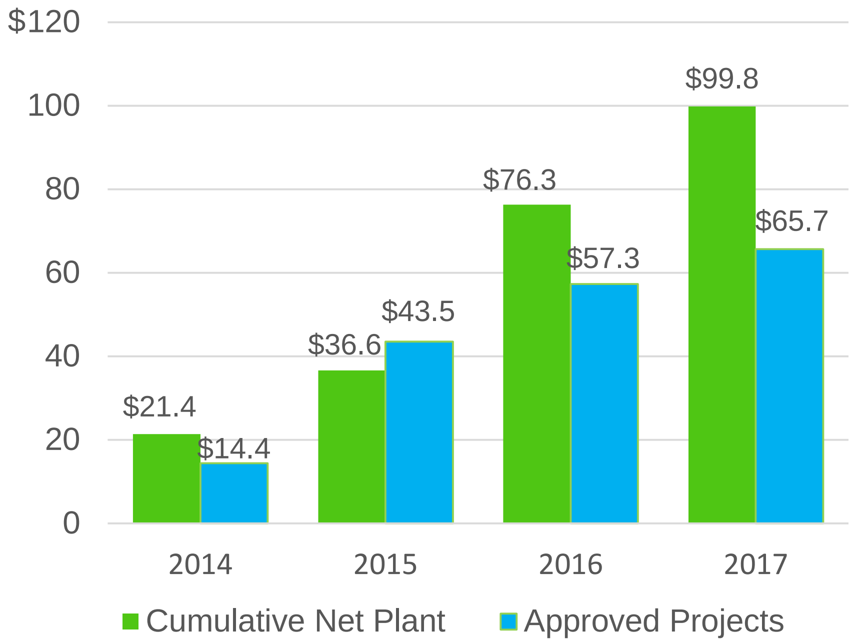


- Approved as part of current program
- Pending requests
- Expenditures included in authorized rate base and recovery embedded in new rates

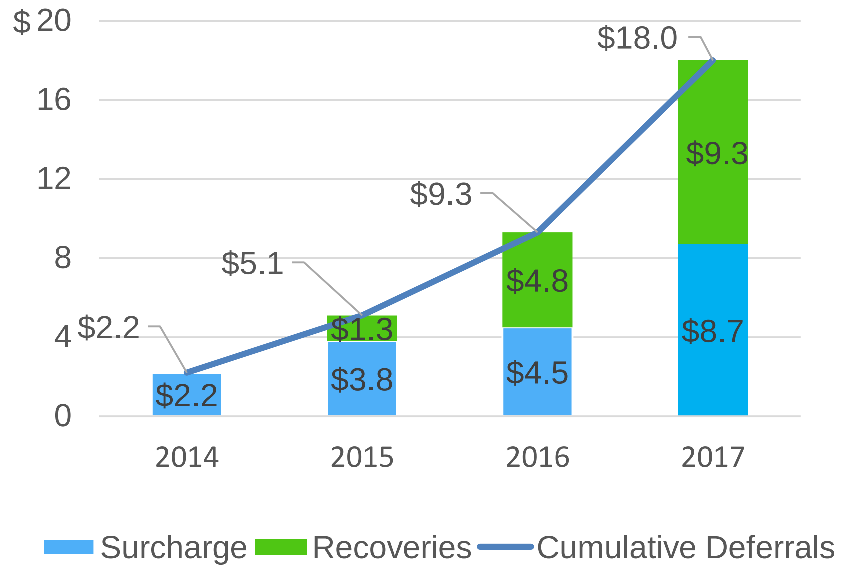
Regulation – Infrastructure Replacement Programs

Nevada Gas Infrastructure Replacement (GIR)

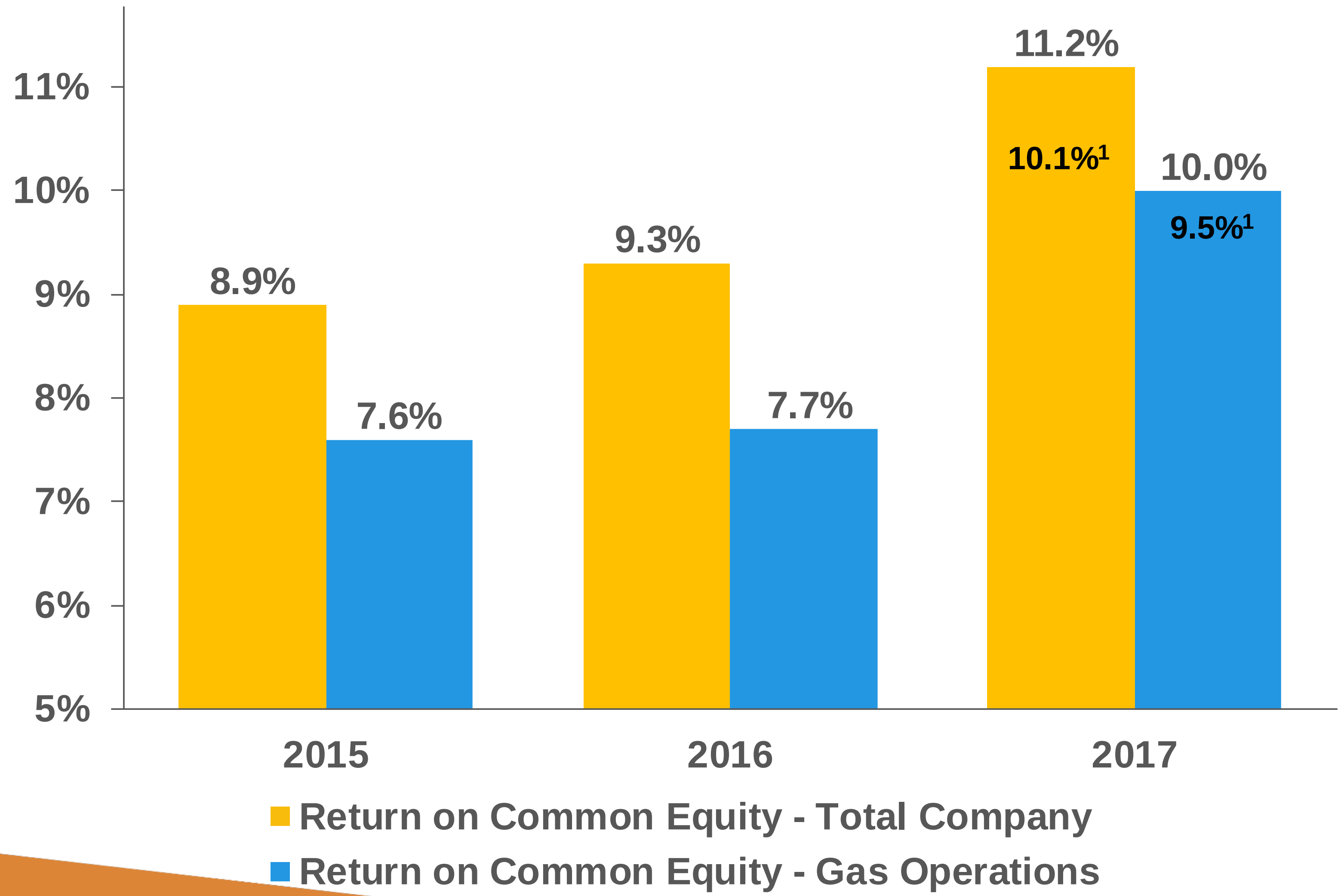
GIR Approved Projects and Cumulative Net Plant
($ in millions)



GIR Deferral Balances, Recoveries and Surcharge As of August 31
(surcharges effective January 1 of following year)
($ in millions)

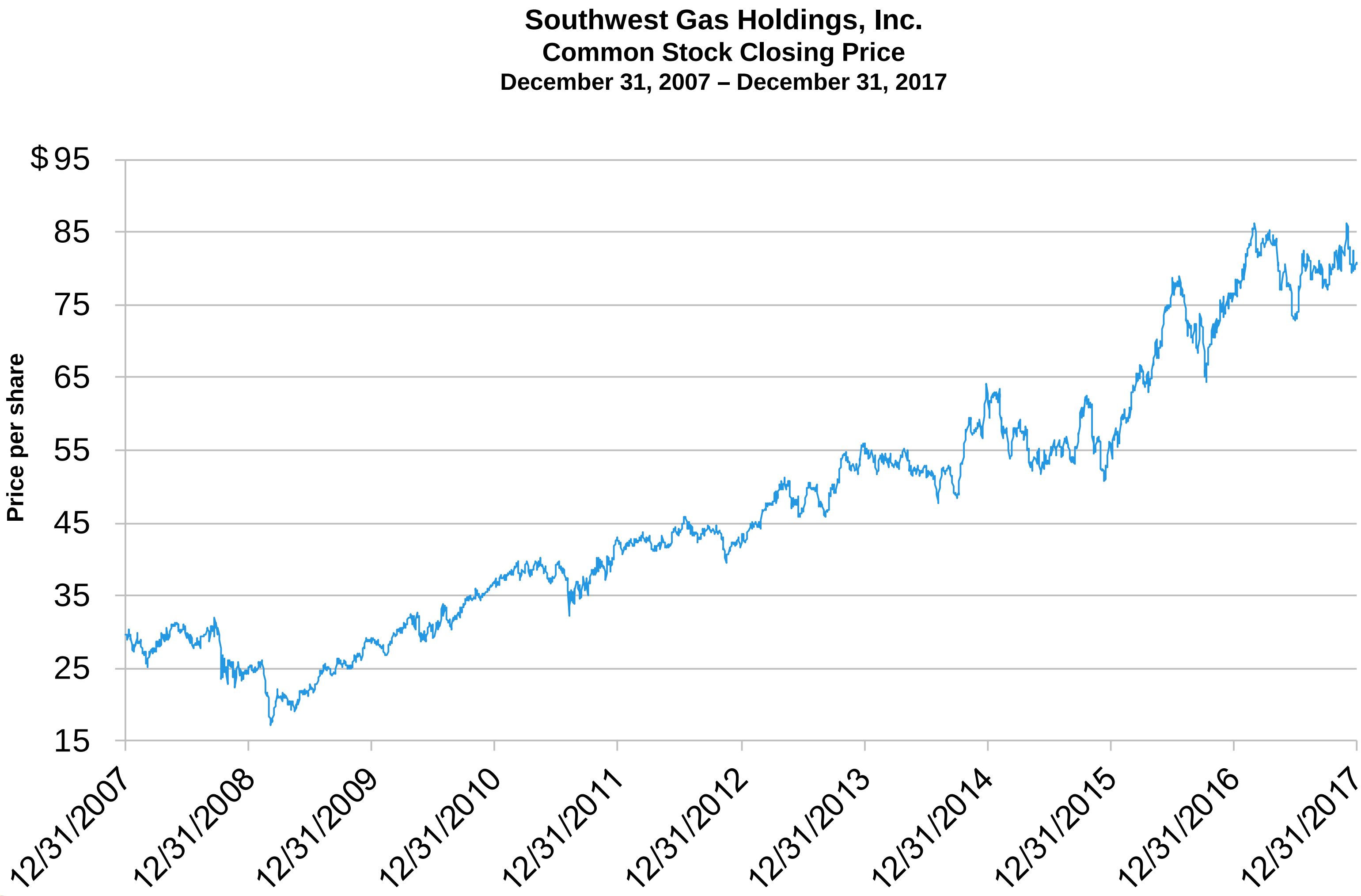


Return on Common Equity



[1] Adjusted for the non-recurring tax benefit resulting from tax reform

Stock Performance



Comparative Total Returns

Southwest Gas HOLDINGS

Total Returns for Periods Ended December 31, 2017

	1-Year	3-Year	5-Year	10-Year
Southwest Gas Holdings	7.55%	12.06%	16.68%	13.69%
S&P 400 MidCap Gas Index	10.67%	10.77%	16.44%	10.02%
S&P Composite Utilities Index	12.16%	8.03%	13.08%	7.12%
S&P 500 Index	21.87%	11.40%	15.77%	8.48%

Total Return = Price appreciation plus gross dividends reinvested

Consolidated Capital Structure

(In millions)

Capitalization at December 31,	2013		2014		2015		2016		2017	
Equity[1]	$	1,412	$	1,506	$	1,608	$	1,684	$	1,812
Long-Term Debt[2]		1,393		1,651		1,571		1,600		1,824
Total Permanent Capital	$	2,805	$	3,157	$	3,179	$	3,284	$	3,636

Capitalization ratios	2013	2014	2015	2016	2017
Equity[1]	50.4%	47.7%	50.6%	51.3%	49.8%
Long-Term Debt[2]	49.6%	52.3%	49.4%	48.7%	50.2%
Total Permanent Capital	100.0%	100.0%	100.0%	100.0%	100.0%

[1]Includes redeemable noncontrolling interest

[2]Includes current maturities of long-term debt

Investment Grade Credit Ratings

Southwest Gas Holdings, Inc.

	Moody's	S&P	Fitch
Issuer Rating	Baa1	BBB+	BBB+
Outlook	Stable	Stable	Stable

Southwest Gas Corporation

	Moody's	S&P	Fitch
Senior Unsecured	A3	BBB+	A
Outlook	Stable	Stable	Stable

Non-GAAP Measures

Non-GAAP Measures – Operating margin is a financial measure defined by management (natural gas operating revenue less net cost of gas sold) and is, therefore, considered a non-GAAP measure. Management uses this financial measure because natural gas operating revenues include the net cost of gas sold, which is a tracked cost that is passed through to customers without markup under purchased gas adjustment (“PGA”) mechanisms. Fluctuations in the net cost of gas sold impact revenues on a dollar-for-dollar basis, but do not impact operating margin or operating income. Management believes operating margin provides useful and relevant information necessary to analyze Southwest’s financial performance in a rate-regulated environment.