



Southwest Gas™
HOLDINGS

2018 Annual Shareholders Meeting

May 3, 2018

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.

Corporate Platform

✓ Natural Gas Operations



DIVERSIFIED LDC PLATFORM IN THREE STATES

- Largest LDC in Arizona and Nevada, also distribute and transport gas in parts of California
- Operate transmission system – Paiute Pipeline
- Over 2 million customers and growing, of which 99% are residential and small commercial
- Blended authorized ROE of 9.76%, and \$2.6 billion authorized rate base
- Constructive regulatory mechanisms which mitigate lag



✓ Construction Services



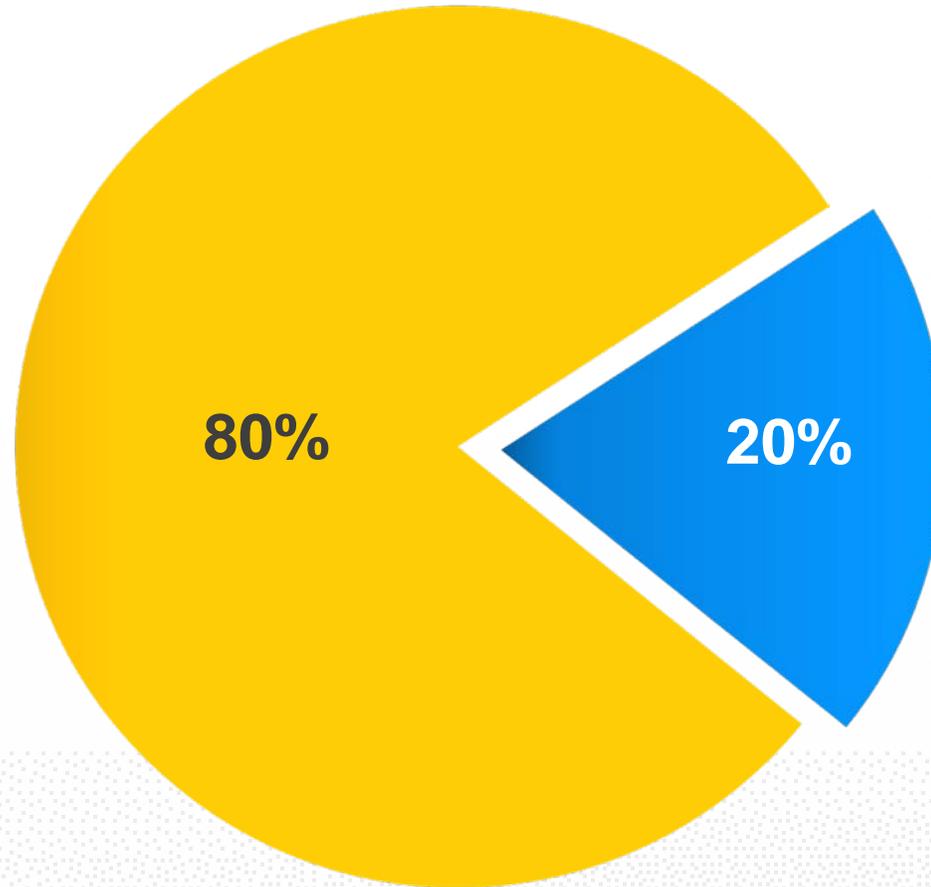
ONE OF NORTH AMERICA'S LARGEST FULL-SERVICE UNDERGROUND PIPELINE CONTRACTORS

- Headquartered in Phoenix, AZ
- Operates in 25 markets across the U.S. and Canada
- Long-term, industry and customer commitments
- Over \$1.2 billion in revenues - 2017

Business Mix

\$194MM

TMTD 12/31/17 Net Income



2017 Achievements

Consolidated Results



Achieved record EPS of \$4.04, (includes one-time income tax benefit of \$0.42)



Dividend increased for the 12th straight year, 9.5% CAGR over past five years



Corporate governance practices that align with shareholder interest and support our core values



Acquired the residual 3.4% equity interest in Centuri in August 2017



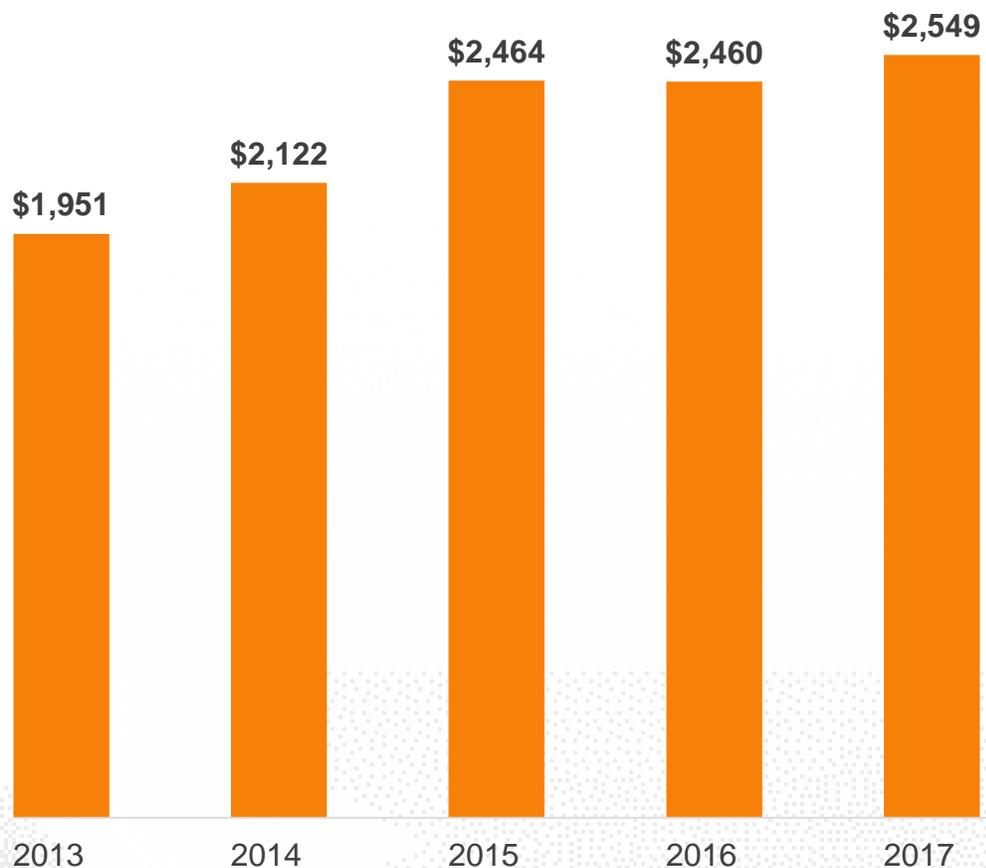
Southwest Gas
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Consolidated Revenues & Net Income

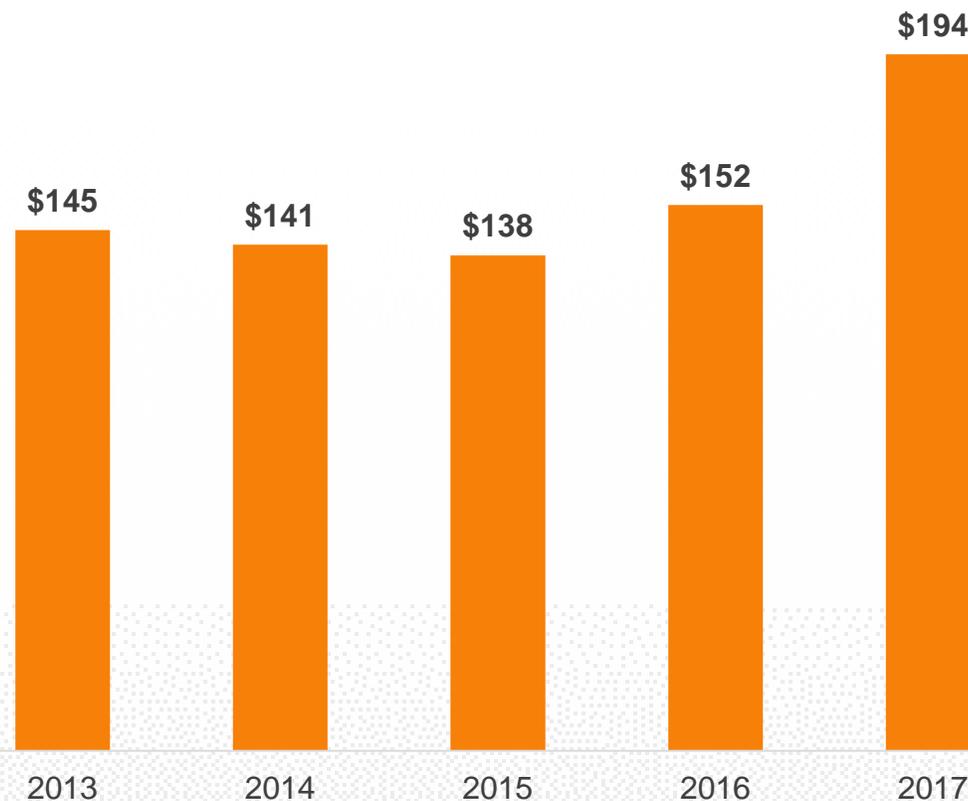
(In millions)



Consolidated Revenues

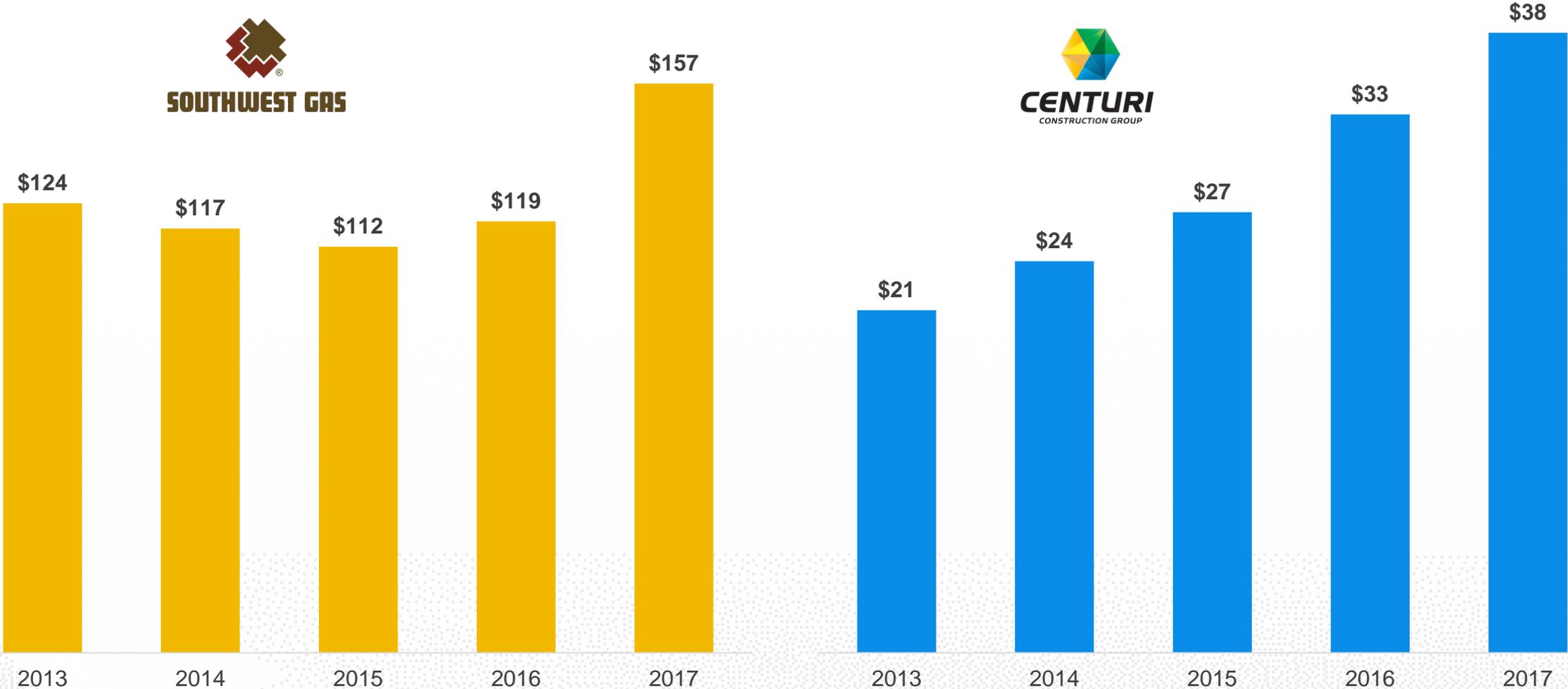


Consolidated Net Income



Net Income by Segment

(In millions)



2017 Achievements

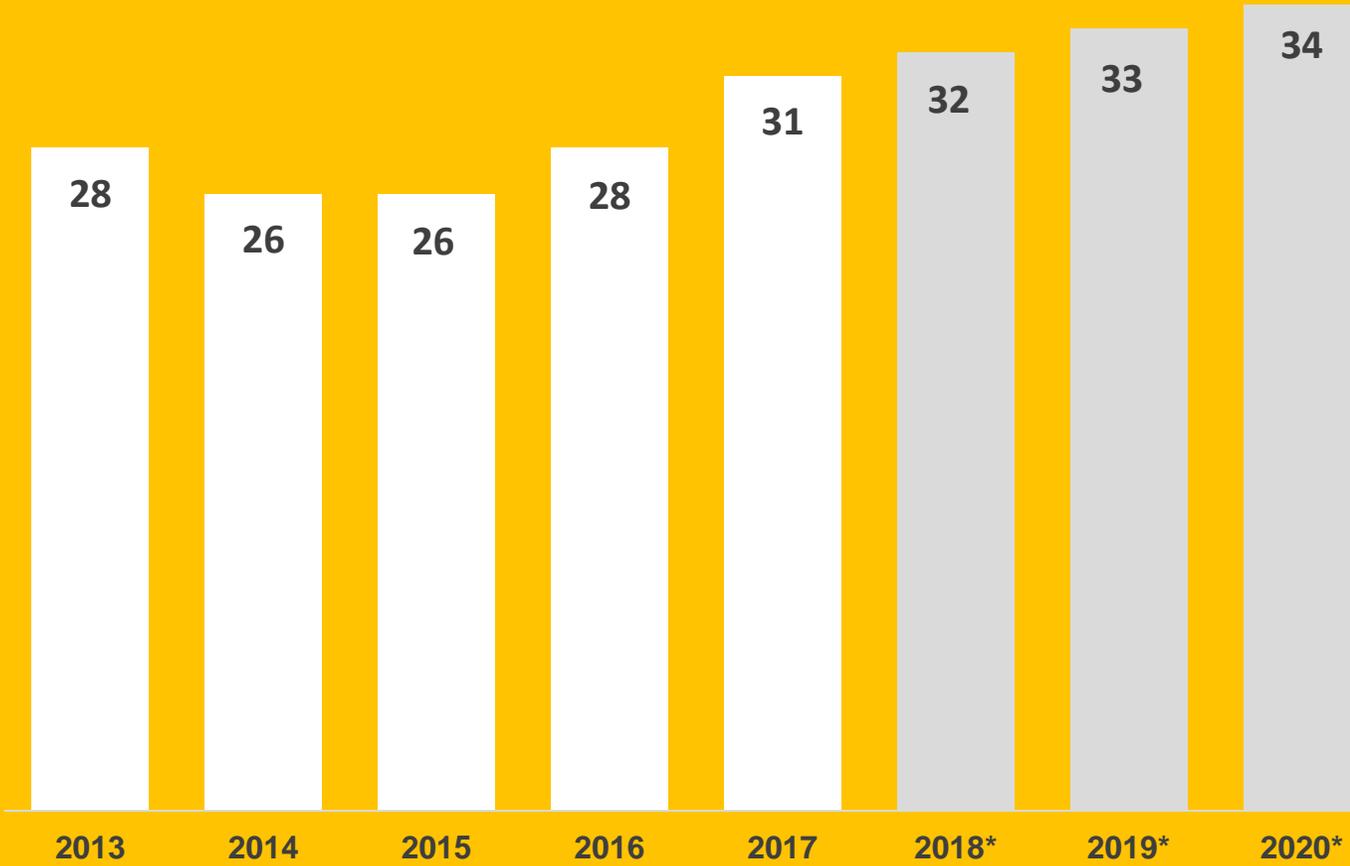
Natural Gas Operations



- ✓ Achieved 95% customer satisfaction rating
- ✓ Surpassed 2 million customers in November 2017
- ✓ Added 31,000 customers, \$9 million in margin
- ✓ Operating margin increased \$23 million over 2016
- ✓ Invested \$560 million in our gas distribution system

Growth

CUSTOMER GROWTH (IN THOUSANDS)



* Projected

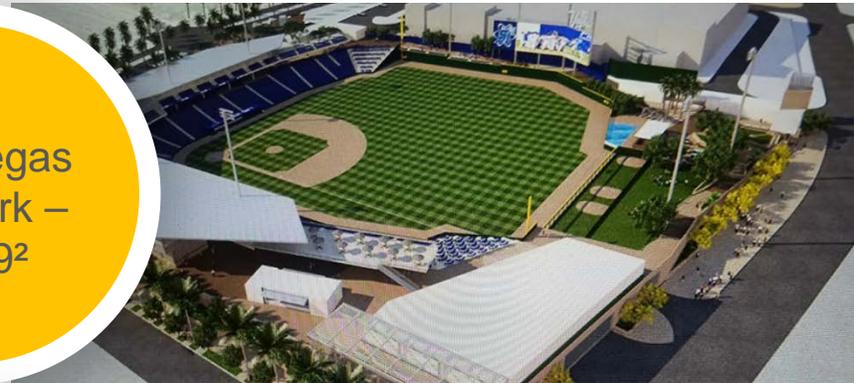


Economic Expansion – Service Area

Natural Gas Operations



Las Vegas
Raiders -
2020¹



Las Vegas
Ballpark –
2019²



Dot Foods
Distribution
Center,
Bullhead, AZ -
2018³



Caterpillar
Headquarters,
Phoenix, AZ -
2019⁴

¹ Source: Review Journal (www.reviewjournal.com); Economists Weigh Economic Impact of Stadium for Raiders in Las Vegas

² Source: Review Journal (www.reviewjournal.com); Las Vegas 51s Moving to \$150M Summerlin Stadium in 2019

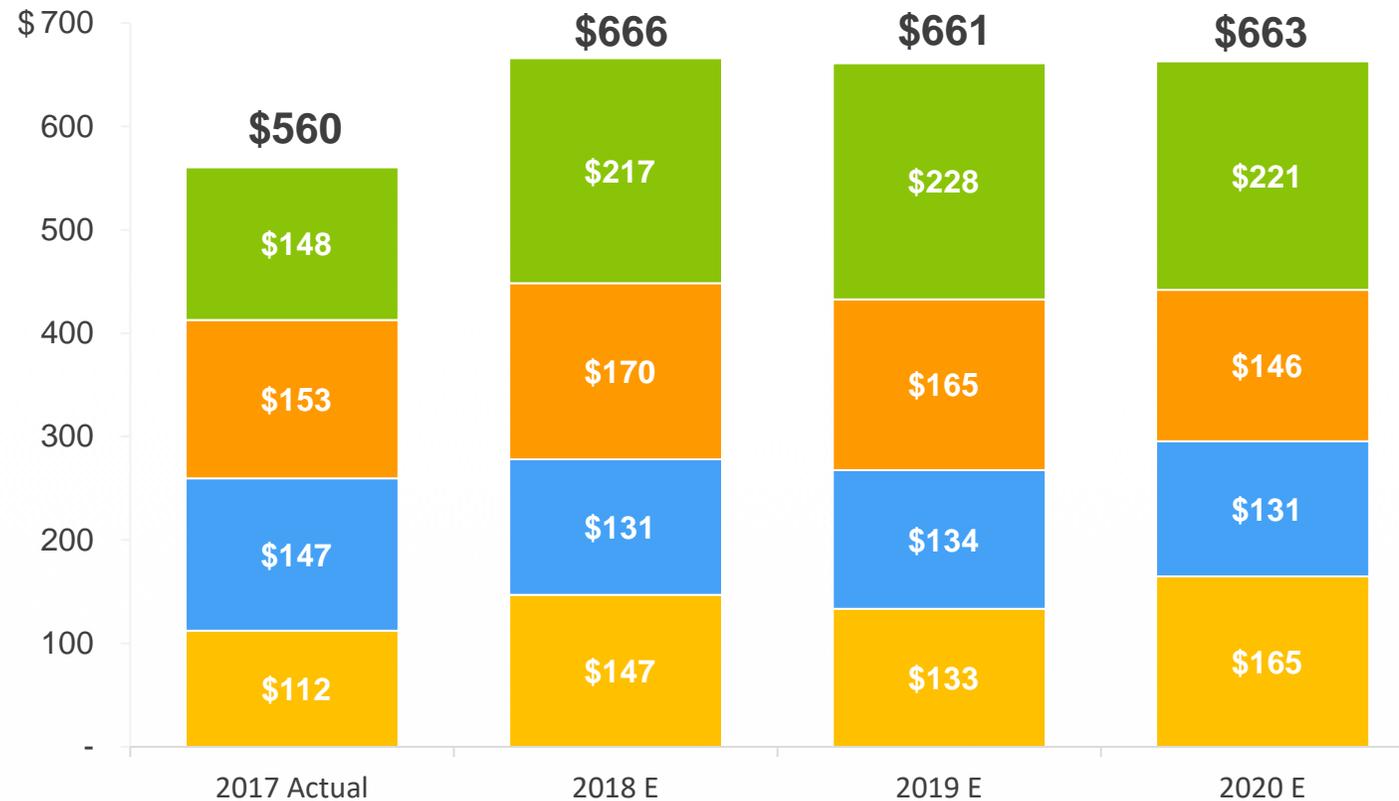
³ Source: Governor Doug Ducey (www.azgovernor.gov); America's Largest Food Redistributor Comes to Arizona

⁴ Source: AZ Big Media (www.azbigmedia.com); Arizona's Economic Developers Continue to Create Jobs

Capital Expenditures

Natural Gas Operations

(In millions)



- Infrastructure Replacement Under Trackers
- Code/Regulatory Requirements
- New Business/Reinforcements
- General Plant/Staff/Overheads

2018-2020 estimate of \$2 billion

2017 Achievements

Construction Service 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



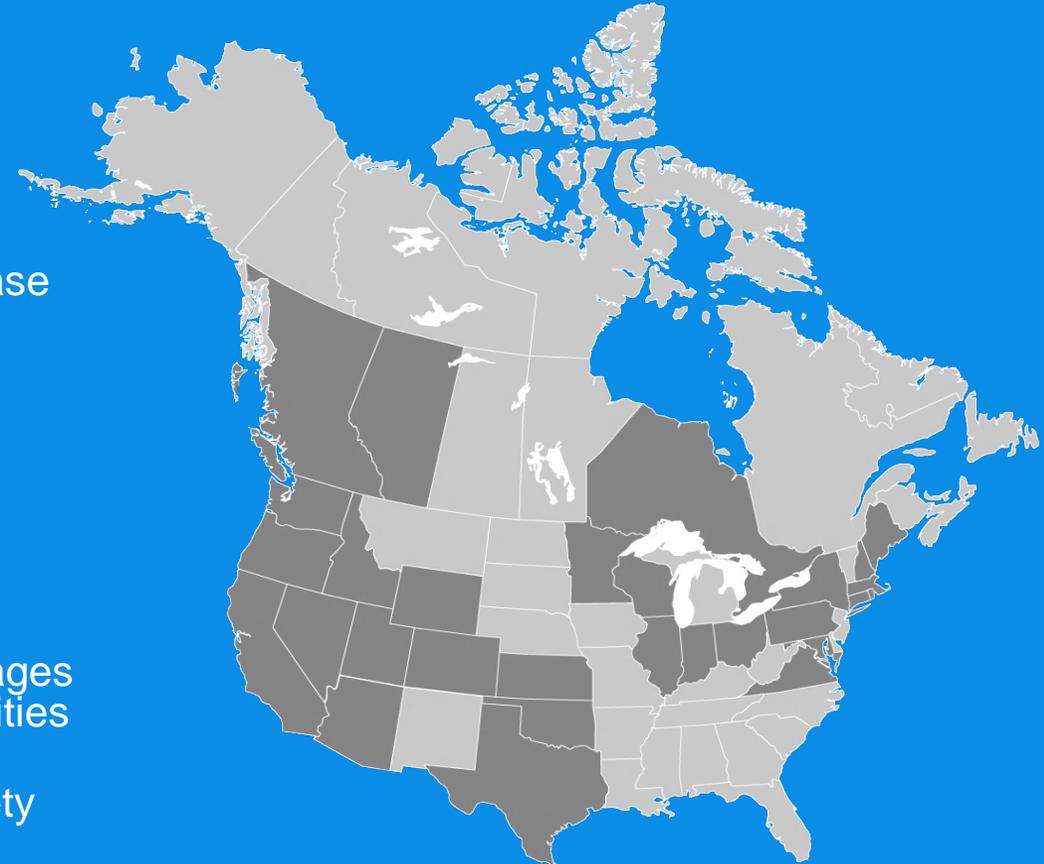
NPL celebrated its 50th anniversary



Construction Services



- ✓ Extensive North American footprint
- ✓ High quality, long-tenured customer base
- ✓ Consistent earnings growth history
- ✓ Favorable long-term market outlook
- ✓ Competitive advantages of scale and capabilities
- ✓ Commitment to safety and quality

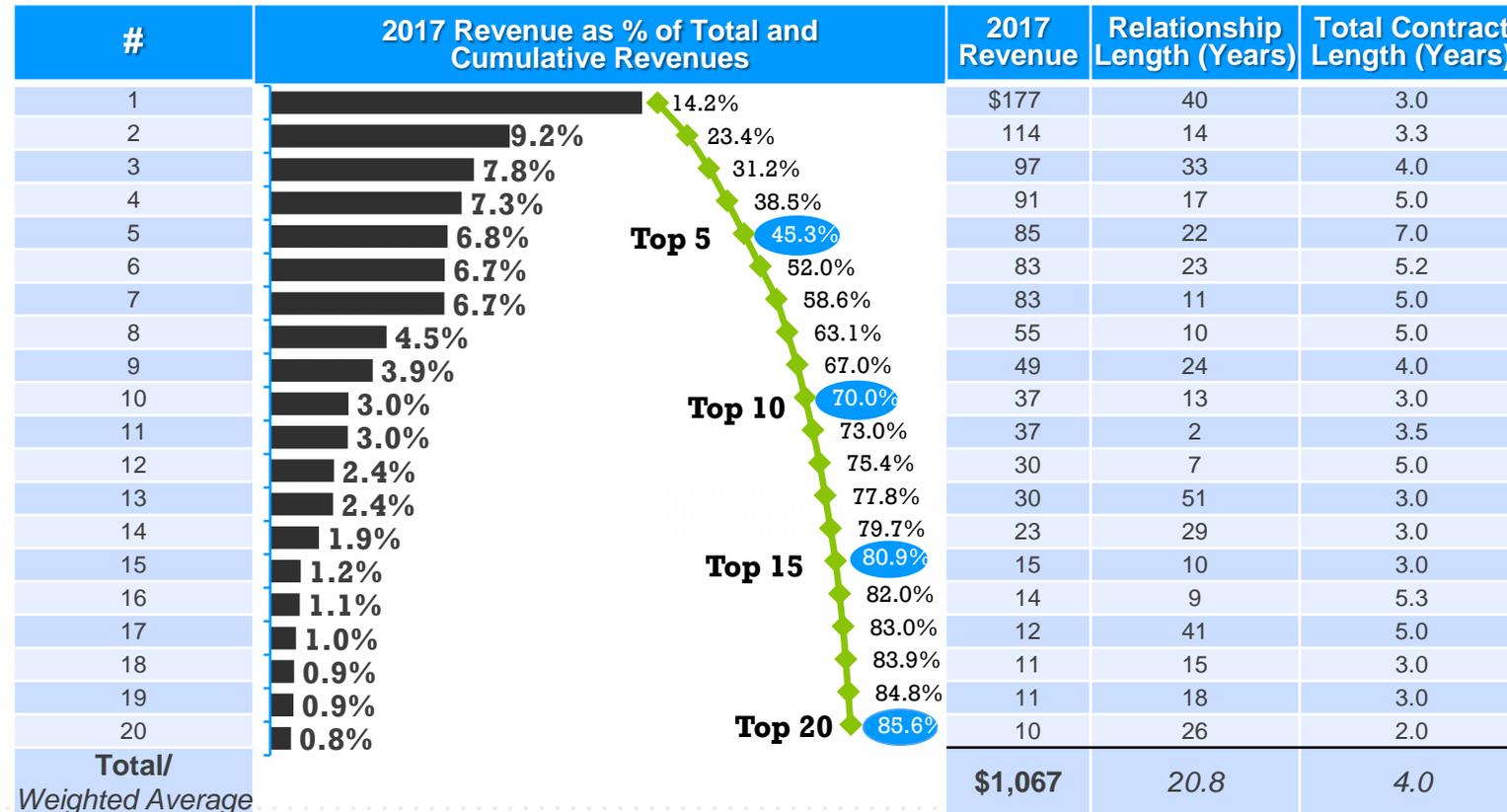


Top 20 Customers

Construction Services



\$ in Millions

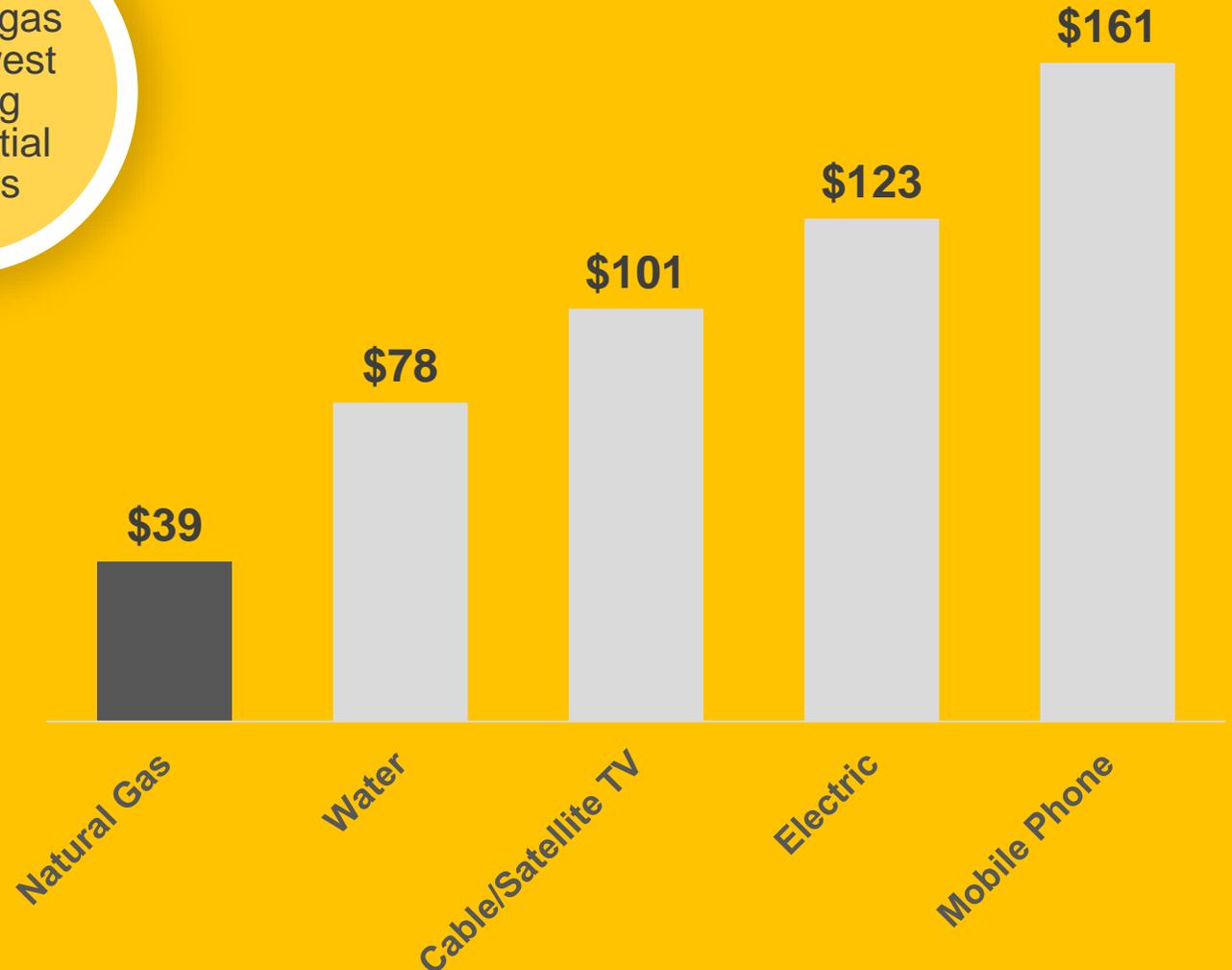


Monthly Household Bills

Natural Gas Operations



Natural gas bills lowest among residential utilities



Sources:

- **Natural Gas \$39** - 2017 Southwest Gas average monthly residential bill
- **Water \$78** - Circle of Blue (www.circleofblue.org); Price of Water 2017: Four Percent Increase in 30 Large U.S. Cities
- **Cable/Satellite TV \$101** - USA Today (www.usatoday.com); TV Rate Hikes: Why Cable Bills are Rising Again and What Can You Do
- **Electric \$123** - U.S. Energy Information Administration (www.eia.gov); Electricity data
- **Mobile Phone** - Federal Communications Commission (<https://apps.fcc.gov>); March 2017 average cell phone bill for 2 smartphones
- **Photo** - Richmond American Homes (www.richmondamerican.com); Granite Falls

Community Involvement

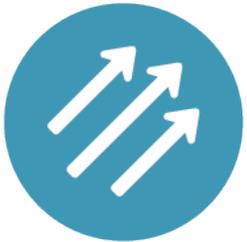
Natural Gas Operations



FUEL for **LIFE**®

Employee Giving

Powered by Southwest Gas



BLUE Building Lives
Up Everywhere®

Employee Volunteerism

Powered by Southwest Gas

\$1.9M
Employee
donations in
2017

\$1,070
Average
employee
donation

79%
Employee
participation



Sustainability Efforts

Natural Gas Operations



Reduce greenhouse gas emissions

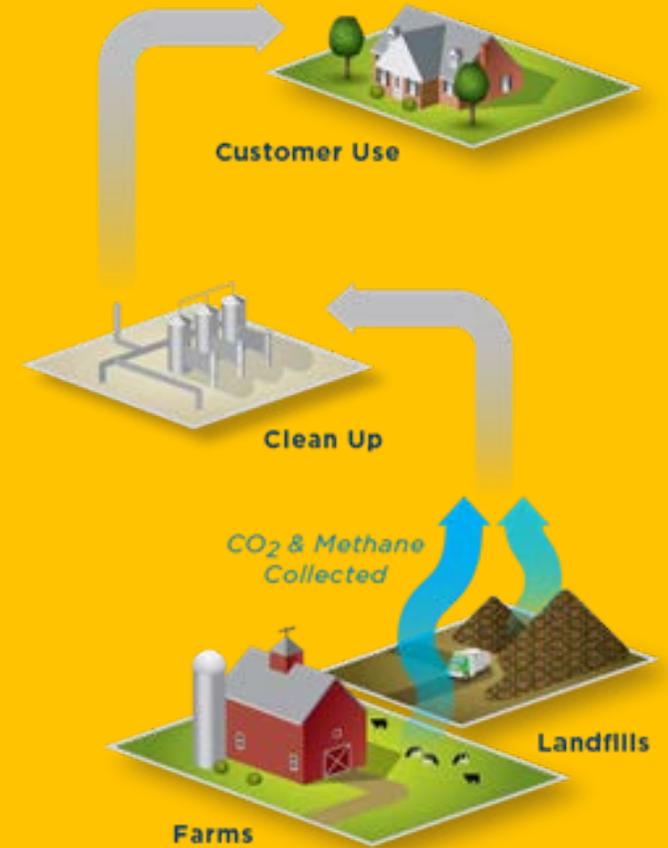
- Facilities
- Fleet and CNG conversions



Modifying field procedures



Renewable Natural Gas committee



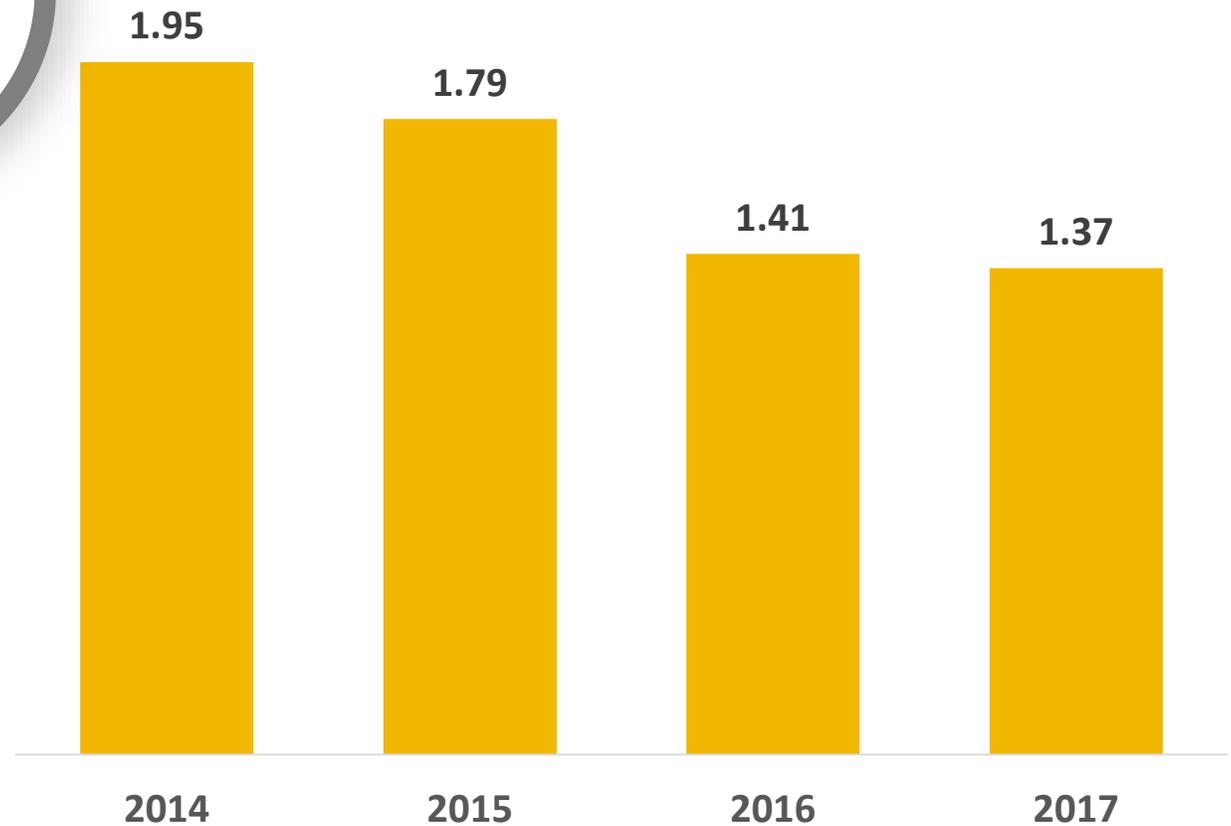
Renewable Natural Gas

Public Safety – Damage Prevention Natural Gas Operations



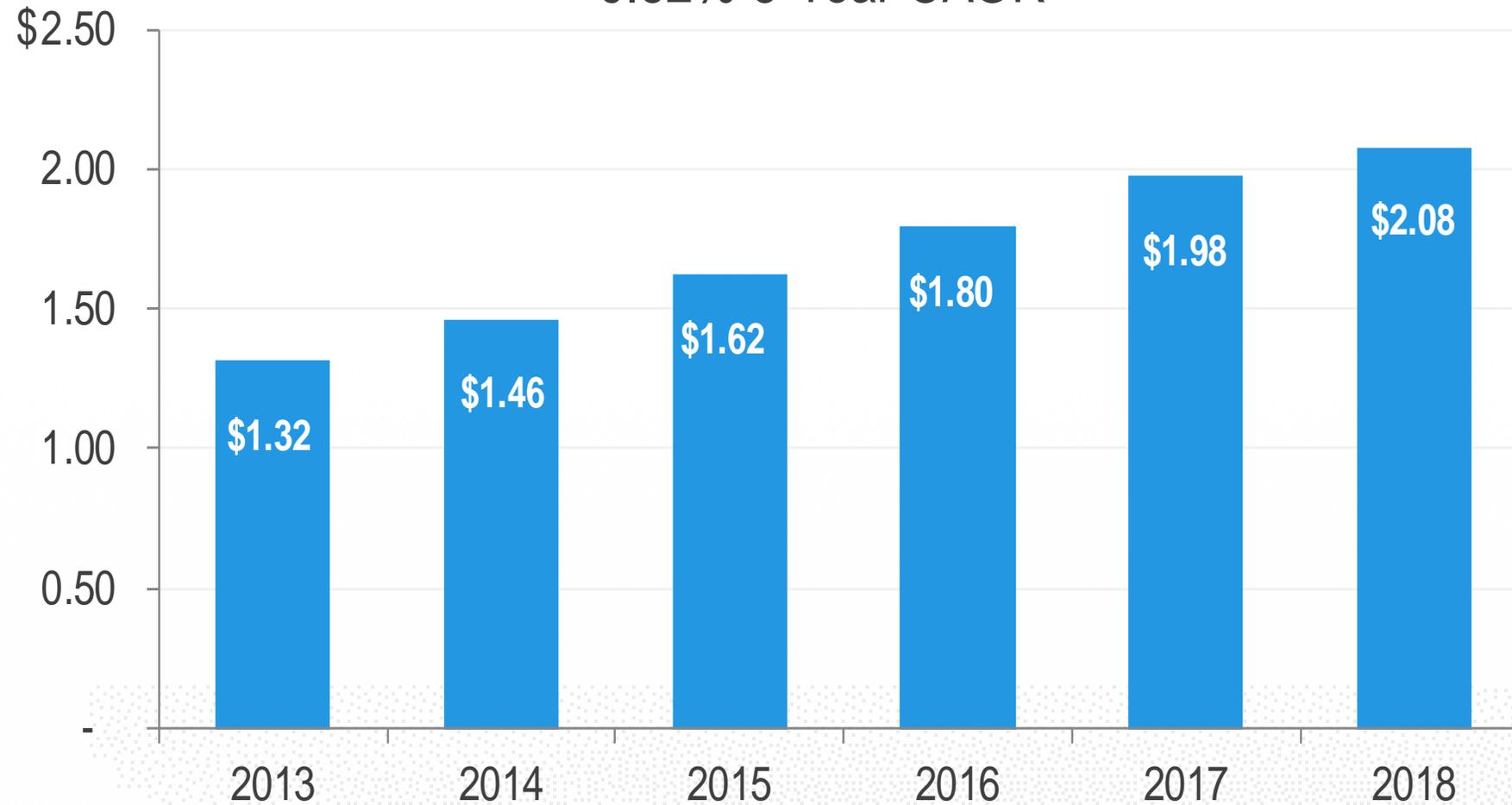
Ranked
second among
AGA peer
companies in
2017

Decreasing Damages Per 1,000 Tickets



Dividend Growth

9.52% 5-Year CAGR



CAGR = compound annual growth rate

Stock Performance



Southwest Gas Holdings, Inc.
Common Stock Closing Price
December 31, 2007 – December 31, 2017



Comparative Total Returns



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



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