

INVESTOR PRESENTATION

Virtual Investor Meetings

January 2021

NW Natural HOLDINGS™

INVESTOR INFORMATION

COMPANY INFORMATION

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FORWARD LOOKING STATEMENTS

This and other presentations made by NW Natural Holdings from time to time, may contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to the safe harbors created by such Act. Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects” and similar references to future periods. Examples of forward-looking statements include, but are not limited to, statements regarding the following: plans; objectives; estimates; timing; goals; strategies; future events; projections; expectations; acquisitions and timing; completion and integration thereof; storage, pipeline and other infrastructure investments; safety; system modernization and reliability; risk profile; commodity costs and sourcing; competitive advantage; marketing success; service territory; customer service; customer and business growth; customer satisfaction ratings; weather; customer rates and timing and magnitude of potential rate changes; price advantage; customer preference; conversion potential; business risk; efficiency of business operations; regulatory recovery; business development and new business initiatives; water and wastewater industry and investments including timing, completion and integration of such investments; environmental initiatives and remediation recoveries; gas storage markets and business opportunities; gas storage development, costs, timing or returns related thereto; dispositions and timing, completion and outcomes thereof; financial positions and performance; economic and housing market trends and performance; shareholder return and value; capital expenditures; technological innovations and investments; availability and sources of liquidity; strategic goals and visions; decarbonization and the role of natural gas and the gas delivery system, including use of renewables such as renewable natural gas and hydrogen; low carbon pathway; carbon emissions and savings; renewable natural gas projects or investments and timing related thereto; procurement of renewable natural gas for customers; workforce trends; diversity, equity and inclusion initiatives; hedge efficacy; cash flows and adequacy thereof; return on equity; capital structure; return on invested capital; revenues and earnings and timing thereof; margins; net income; operations and maintenance expense; dividends; credit ratings and profile; debt and equity issuances; the regulatory environment; effects of regulatory disallowance; timing or effects of future regulatory proceedings or future regulatory approvals; regulatory prudence reviews or deferrals; timing, outcome and effects of regulatory dockets or mechanisms or approvals, including, but not limited to, OPUC approval of the Oregon general rate case comprehensive stipulation; effects of legislation and changes in laws and regulations, including but not limited to carbon, renewable natural gas and renewable hydrogen regulations; gas supply; supply chain; effects, extent, severity and duration of COVID-19 and resulting economic disruption; the impact of efforts to mitigate risks posed by its spread, the ability of our workforce, customers or suppliers to operate or conduct business, COVID-19 expenses and financial impact and cost recovery including through regulatory deferrals, impact on capital projects, governmental actions and timing thereof, including actions to reopen the economy; and other statements that are other than statements of historical facts.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements, so we caution you against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements are discussed by reference to the 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” in the Company’s most recent Annual Report on Form 10-K, and in Part I, Items 2 and 3 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures About Market Risk”, and Part II, Item 1A, “Risk Factors”, in the Company’s quarterly reports filed thereafter.

All forward-looking statements made in this presentation and all subsequent forward-looking statements, whether written or oral and whether made by or on behalf of the Company, are expressly qualified by these cautionary statements. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

LEADERSHIP PRESENTING



DAVID H. ANDERSON • President and Chief Executive Officer

Mr. Anderson is currently NW Holding's President and CEO effective October 2018 and NW Natural's President and CEO effective August 2016. Since he joined NW Natural in 2004, Mr. Anderson has served in various executive positions over Operations, Regulation and Financial Matters, as COO and CFO. Previously, Mr. Anderson held executive positions within TXU Corporate including Senior Vice President and Chief Accounting Officer. Mr. Anderson holds a BBA in Accounting from Texas Tech University and held a CPA (retired) and CGMA.



FRANK BURKHARTSMEYER • SVP and Chief Financial Officer

Mr. Burkhartsmeyer is currently NW Natural Holdings' Senior Vice President and CFO effective October 2018 and NW Natural's Senior Vice President and CFO effective May 2017. Previously, Mr. Burkhartsmeyer served as President and CEO of Avangrid Renewables and Senior Vice President of Finance at Iberdrola Renewables Holdings US and also held various positions at PPM Energy, ScottishPower and PacificCorp. Mr. Burkhartsmeyer has an MBA from the University of Oregon and a Bachelor of Arts in Liberal Arts from the University of Montana.



KIMBERLY A. HEITING • SVP Operations and Chief Marketing Officer

Ms. Heiting is currently serving as NW Natural's Senior Vice President of Operations effective April 2018 in addition to her duties as Chief Marketing Officer (2013). Since she joined the Company in 1998, Ms. Heiting has served in various executive and director positions over Marketing, Communications, and Consumer Information. Previously, Ms. Heiting held management positions at Alltel and Bank of America. Ms. Heiting holds a Bachelor of Arts in Communications from the University of Iowa and a Master of Science in Communications from Northwestern University in Illinois.



JUSTIN B. PALFREYMAN • VP Strategy and Business Development & President NW Natural Water

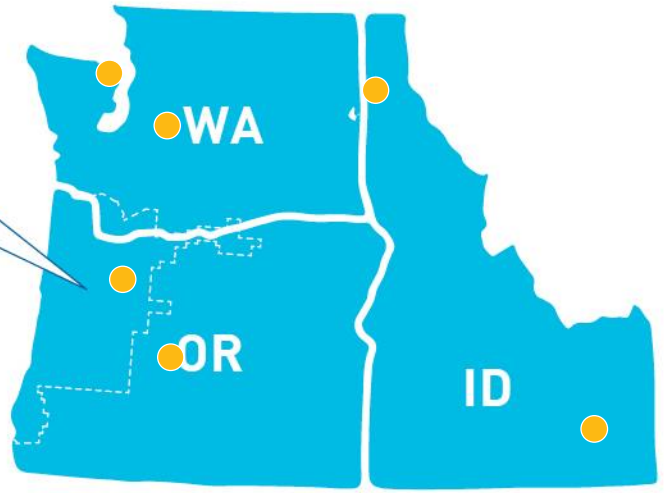
Mr. Palfreyman is currently NW Natural's Vice President of Strategy and Business Development effective 2016. In addition, he is the President of NW Natural Water. Previously, Mr. Palfreyman was with Lazard, Freres & Co. serving as a Director in the Energy & Infrastructure Group and worked in the Infrastructure Investment Banking Group at Goldman Sachs in New York. Mr. Palfreyman has an MBA and a Master of Public Policy from The University of Chicago, and a Bachelor of Business Administration from Pacific Lutheran University.

NW Natural HOLDINGS™

INTRODUCTION

NWN AT A GLANCE



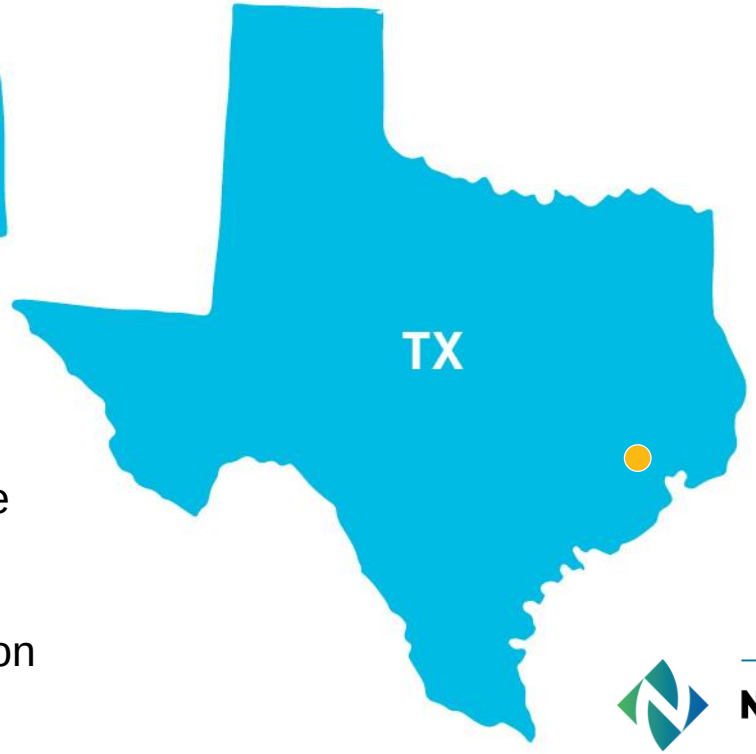


Water & Wastewater Utilities

- 65,000 people served
- 26,000 connections
- $110 million committed to date
- Fast-growing service territories
- Continued disciplined expansion

Gas Utility

- 2.5 million people served
- Nearly 770,000 connections
- 14,000 miles of modern pipeline
- $3.5 billion in assets
- Fast-growing service territory in Oregon & Southwest Washington



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KEY THEMES AND YTD Q3 2020 RESULTS

- Continued to provide customers with essential natural gas and water utility services during COVID-19
- Ongoing focus on safe and reliable service and assisting our most vulnerable community members
- Reported lower earnings reflecting higher O&M & depreciation and financial effects from COVID-19
- Invested about $193 million in our utility infrastructure and on track for the year
- Received Oregon rate case order providing an estimated annual pre-tax earnings benefit of $45.1 million
- Scored second in the West for large utilities in 2020 J.D. Power Gas Utility Residential Customer Satisfaction Study
- Completed rulemaking for Senate Bill 98 enabling our gas utility to procure renewable natural gas (RNG)
- Announced a public-private partnership that is working toward a renewable hydrogen facility in Oregon
- Signed first RNG investment for ~$8 million with potential for a total investment of $38 million with Tyson
- Increased dividends for the 65th consecutive year with an annual indicated dividend rate of $1.92 per share
- Closed five water and wastewater utility transactions, including first transaction in Texas

CORPORATE STRATEGY



Our Mission

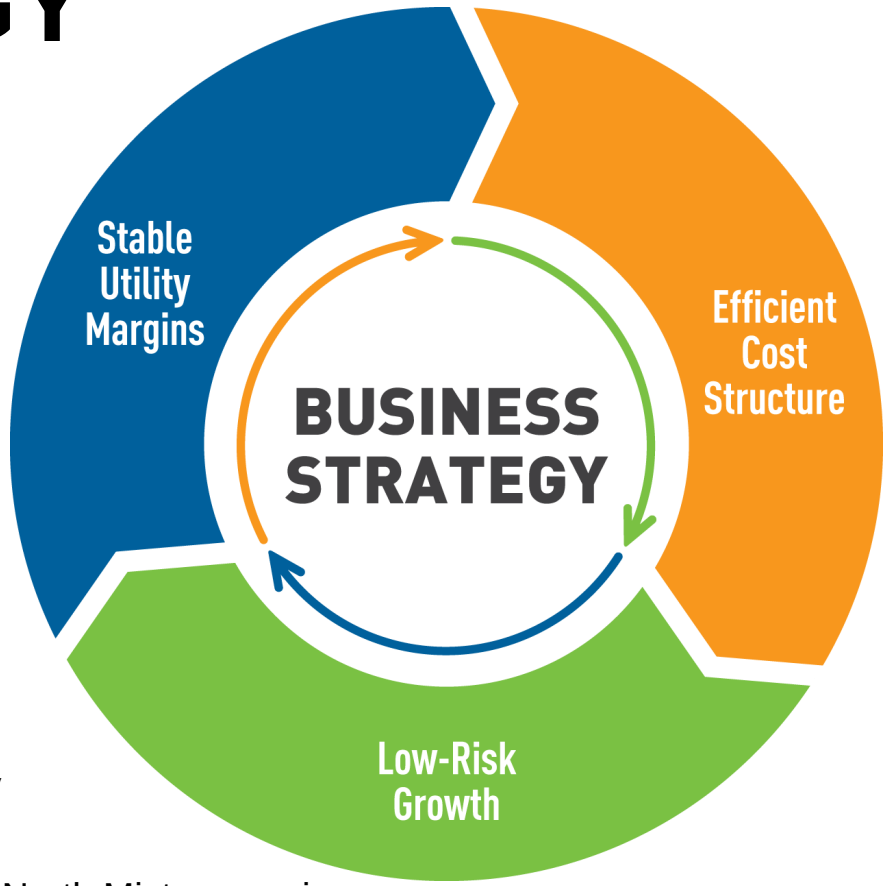
We provide safe, reliable and affordable essential utility services in an environmentally responsible way to better the lives of the public we serve

Our Values

Safety
Integrity
Service Ethic
Caring
Environmental Stewardship

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CONSERVATIVE STRATEGY



Stable gas and water utility margins through progressive regulation

- Gas utility: weather, decoupling, and environmental cost recovery mechanisms in Oregon
- Constructive relationships with regulators and customer groups benefit both gas and water utilities

Excellent operations and efficient cost structure

- Commitment to safety, reliability, and high-quality service
- Continued focus on efficient business operations

Long-term growth opportunities that fit NWN's profile

- GAS UTILITY: strong cap-ex profile with attractive and growing service territory driving above-average customer growth compared to peers
- MIST FACILITY: high-value long-term contracts, asset management revenues, North Mist expansion
- WATER & WASTEWATER: long-term, disciplined strategy to acquire water utilities and wastewater businesses in a highly fragmented industry with ample infrastructure investment opportunities

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ESG LANDSCAPE & 2019 ACHIEVEMENTS

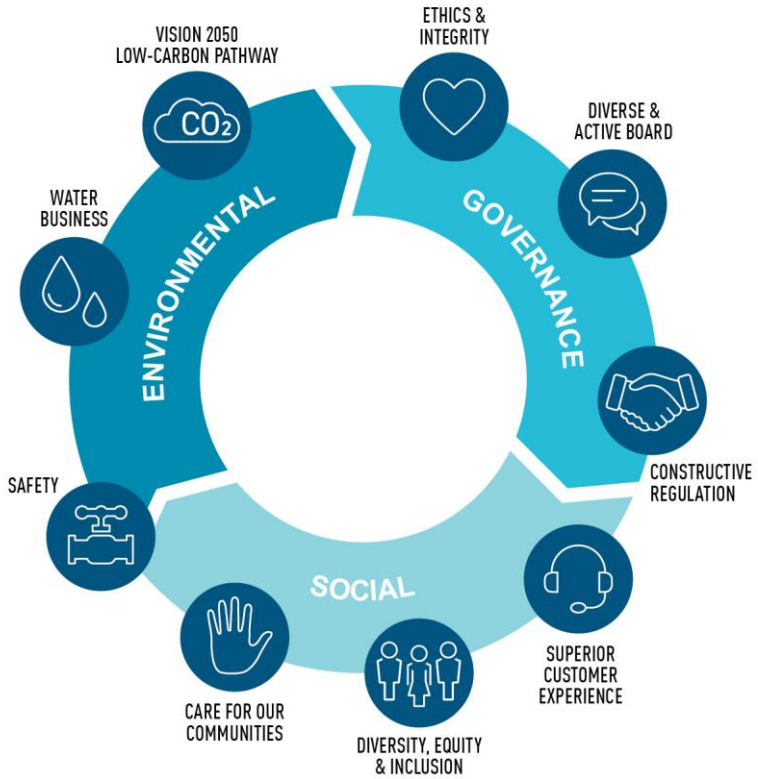
Published inaugural ESG Report in alignment with SASB disclosures and AGA Sustainability Template

Environmental

- On track to meet or exceed carbon savings goal of 30% by 2035[1]
- Saved 275,000 metric tons of carbon in 2019, equivalent to taking 60,000 cars off the road
- Our north star and vision forward is being a carbon neutral energy provider by 2050

Safety

- No cast iron or bare steel pipe in natural gas system, making our system one of the most modern and tightest in the nation
- Met or exceeded pipeline safety requirements
- Proactive damage prevention programs reduced third-party damages by 19%



Governance

- Maintained well-qualified, diverse, independent and active Board with appropriate business & risk oversight
- 100% of active NW Natural employees participated in ethics and compliance training

Customers & Employees

- Ranked #1 in the nation and West for residential customer service[2]
- Over $1 million and 5,000 employee volunteer hours donated to nonprofits in our communities
- Made progress on diversity goals and introduced comprehensive new DE&I strategy

Full report at nwnatural.com/about-us

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1 *This is an emissions savings goal equivalent to 30% of the carbon emissions from our sales customers' gas use and NW Natural company operations from 2015*
2 *2019 J.D. Power Gas Utility Residential Customer Satisfaction Study for Large Utilities*

INVESTMENT TARGETS

Growth targets over the next five years include:

Financial Targets

- EPS growth of 3% - 5%[1]
- Strong and growing dividend[2]

Gas Utility Growth

- Customer growth 1.7%+ per year
- Capital plan of $950 million - $1.1 billion
- Rate base growth of 4% - 6%[1]

Water Growth

- Long-term strategy, incremental earnings growth and diversity
- Deliberate and disciplined roll-up strategy
- Maintenance cap-ex plan $30 - $40 million[3]

1 EPS and rate base growth forecasted for period 2020 – 2024; EPS growth rate uses mid-point of 2019 guidance range as base year
2 Future dividends are subject to Board of Director discretion and approval
3 Water cap-ex plan is based on projected needs of water and wastewater utilities acquired as of 12/31/19

Stable and Growing Return Proposition

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COVID-19 RESPONSE

COVID-19

- **Continue to Serve Customers during COVID –** Ongoing incident command and business continuity planning to ensure customer & employee safety especially during winter heating season. NW Natural and NW Natural Water are considered essential and continue to operate and serve customers without interruption. Following CDC, OSHA, & state specific guidance. Office employees continue to work remotely
- **Regulatory –** All jurisdictions approved deferrals related to COVID costs. Term sheets have been approved in all jurisdictions and provide guidelines and timing related to resuming normal operations
- **Customers –** In March, we voluntarily and temporarily suspended disconnections and late fees and provided our annual June bill credit totaling $17 million – a record amount. Term sheets outline timing of reinstating normal operating and collection processes as well as additional customer assistance. Continue to watch AR balances and commercial and industrial meter losses closely
- **Supply Chain –** No significant disruptions experienced or currently expected, contingency plans in place, continue to secure necessary PPE
- **Capital Expenditures –** Work continues without significant delays or meaningful impacts
- **Liquidity –** Repaid short-term financings issued during March that strengthen liquidity amid COVID crisis



TERM SHEETS & DEFERRALS

Deferrals: Approved in all jurisdictions

Term Sheets: Approved in all jurisdictions and provide guidelines and timing related to resuming normal operations

	Oregon	Washington	Idaho	Texas
Deferral Application	Approved	Approved	Approved	Approved
Key Term Sheet Dates				
Reinstitute Disconnects:				
Residential	4/15/2021*	4/30/2021*	N/A	6/14/2020
Small Commercial	12/1/2020	4/30/2021*	N/A	N/A
Large Comm/Industrial	11/3/2020	10/20/2020	N/A	N/A
Resume Late Fees:				
Residential	10/1/2022*	10/27/2021*	N/A	5/15/2020
Small Commercial	12/1/2020	10/27/2021*	N/A	N/A
Large Comm/Industrial	11/3/2020	10/20/2020	N/A	N/A

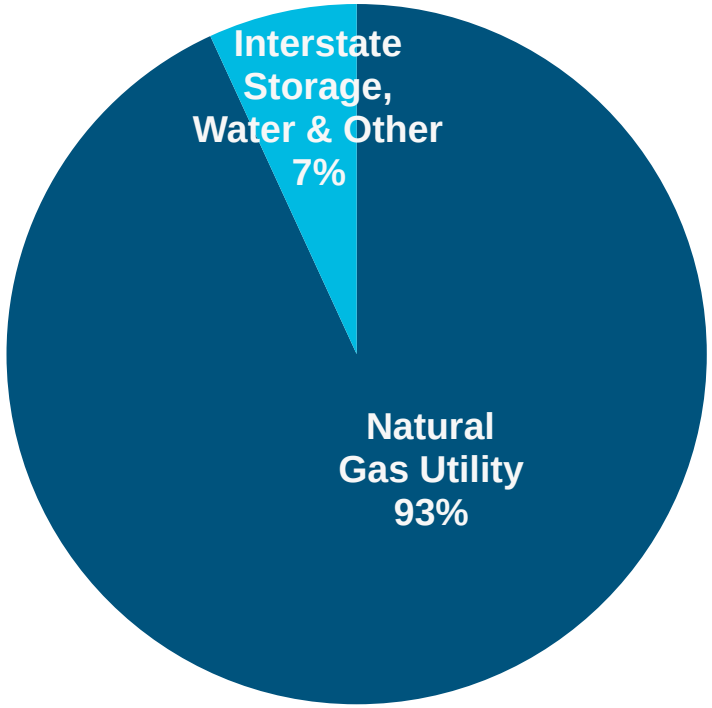
***** Jurisdiction retains discretion to re-evaluate date based on ongoing pandemic and economic conditions

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RESILIENT BUSINESS MODEL

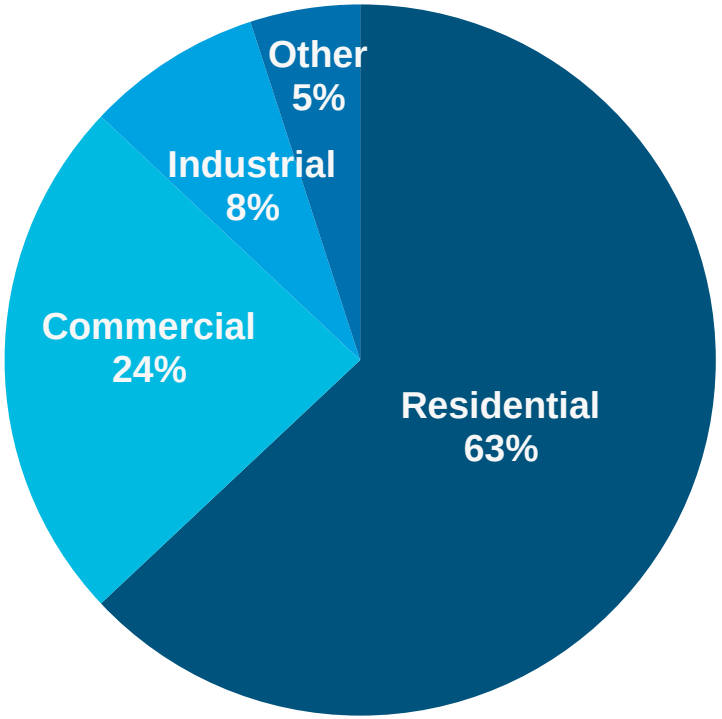
Pure-Play Utility Business Model

2019 Net Income



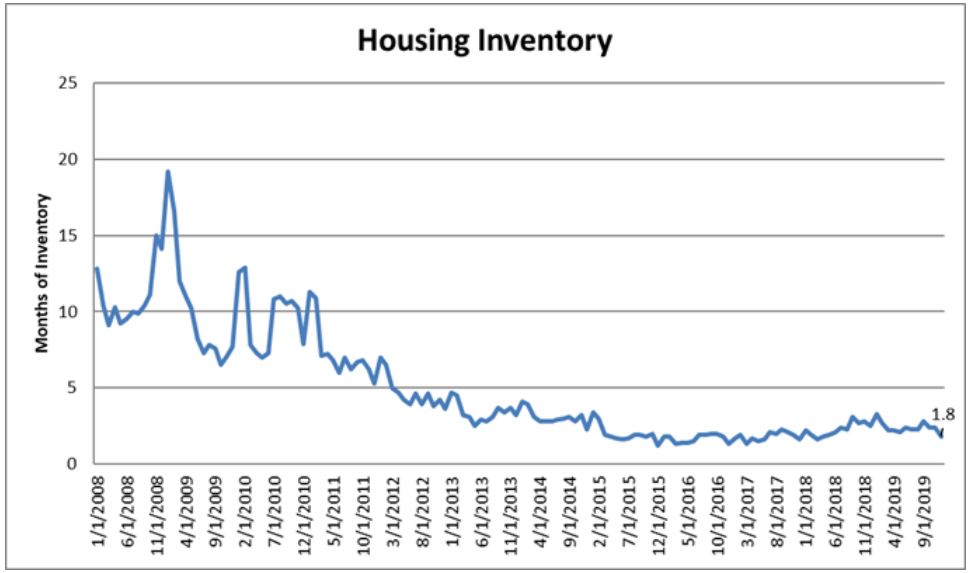
Favorable Customer Mix

2019 Natural Gas Utility Margin



MITIGATING FACTORS

Tight Residential Real Estate Market Leads to Fewer Losses



RMLS Data for Portland Metro

80% of Natural Gas Utility Margin is Decoupled

	% of Volumes	% of Margin	% of Margin Decoupled
Residential	38%	63%	89%
Commercial	22%	24%	79%
Industrial	40%	8%	-%
Other	N/A	5%	N/A
Total	100%	100%	80%

Based on 2019 SEC financials

68% of Gas Utility Margin Earned During Heating Season

	Q1	Q2	Q3	Q4
Volumes *(weather normalized)*	39%	18%	9%	34%
Utility Margin	36%	19%	13%	32%
Net Income	72%	2%	-28%	54%

Based on 2019 SEC financials

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NATURAL GAS UTILITY

GAS UTILITY OVERVIEW

- More than 160 years of service in our communities
- Largest stand-alone local distribution company in the Pacific Northwest
- Serve 2.5 million people in more than 140 communities through nearly 770,000 meters in Oregon and southwest Washington
- Consistently recognized for high-quality customer service by J.D. Power
- One of the safest, most modern distribution systems in the country



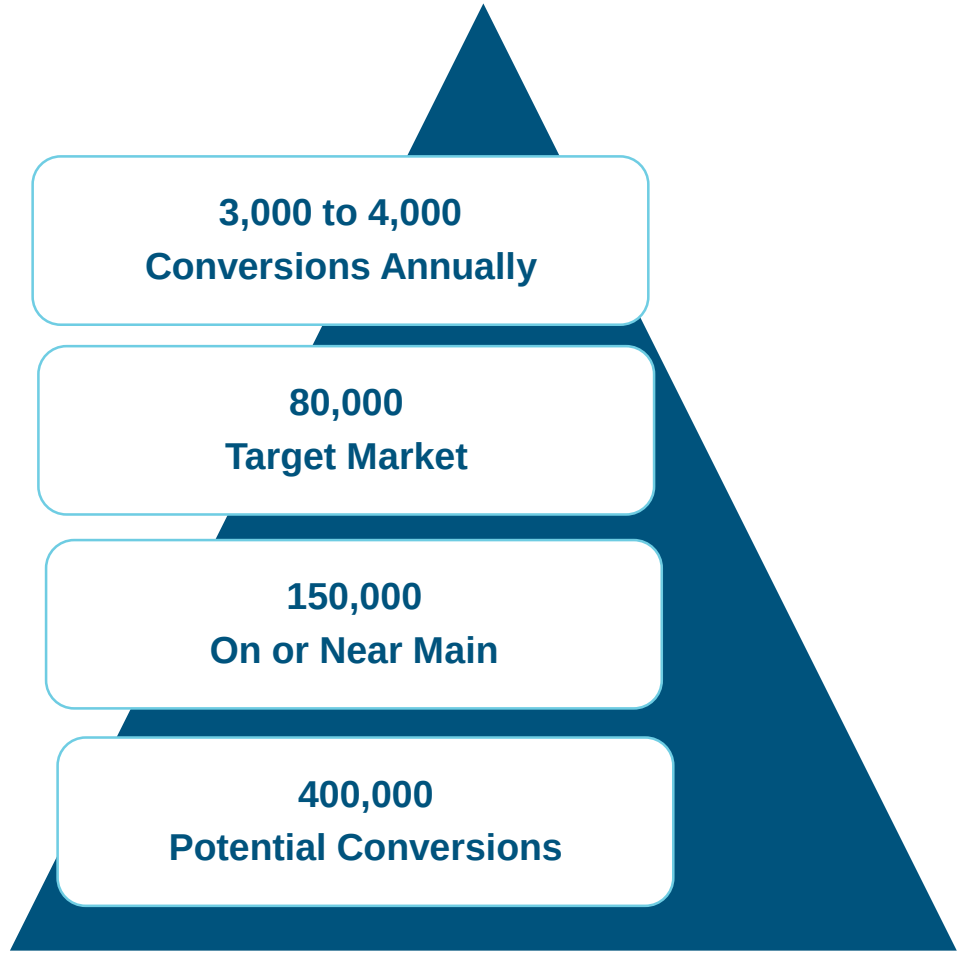
SOPHISTICATED MARKETING

Affordable, Preferred, Growing

- Growing communities with healthy permitting levels
- Natural gas price advantage
  - Up to 67% advantage over electric furnace
  - Up to 15% advantage over high-efficiency heat pumps
- Preferred by 8 out of 10 homeowners with recognition that natural gas is affordable, efficient, and preferable to electricity for heating and cooking[1]
- Over 80% of survey respondents would pay $50,000 more for a median priced home that has gas amenities, relative to an all-electric home[1]

Significant Conversion Potential

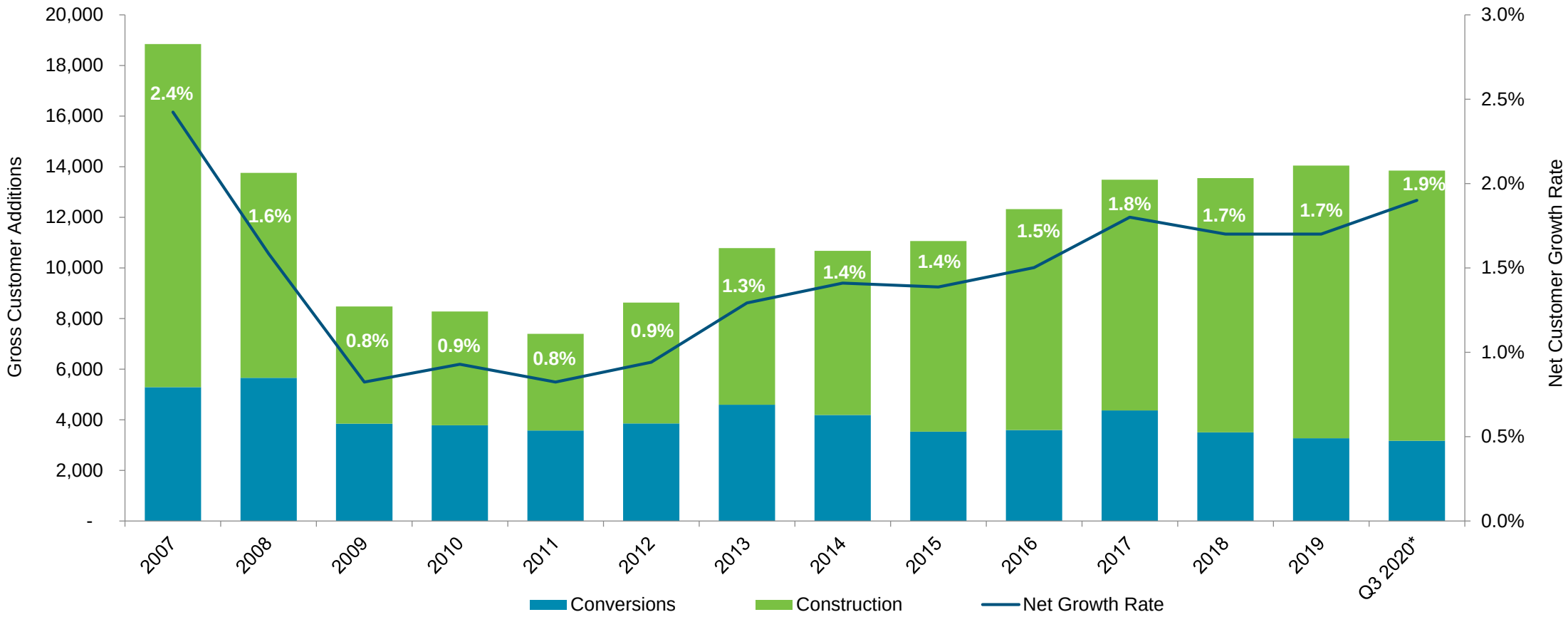
- Serve approximately 63% of single-family homes in service territory
- About 400,000 potential conversions
- Targeted marketing campaign using innovative, proprietary tool supporting strong conversion pipeline



[1] Research study conducted by Escalent, Inc. December 2020

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LEADING IN CUSTOMER GROWTH



**In March 2020, we suspended customer disconnections due to COVID-19. We experienced a lower level of customer losses as a result in 2020*

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INVESTING IN GAS SYSTEM

Customer growth
- New construction & conversions
- Main extensions

Safety & Reliability
- Recurring replacements
- Enhanced system reliability to support customer growth

Facilities
- Resource and operations center renovations

Technology
- Data center & cybersecurity
- Efficiencies & enterprise resource planning system
- Customer facing technology

The timing and amount of the core capital expenditures and projects for 2020 and the next five years could change based on regulation, growth, and cost estimates. Additional investments in our infrastructure during and after 2020 that are not incorporated in the estimates provided will depend largely on additional regulations, growth, and expansion opportunities. Required funds for the investments are expected to be internally generated and/or financed with long-term debt or equity, as appropriate.

System Capital Expenditures*
(In millions)

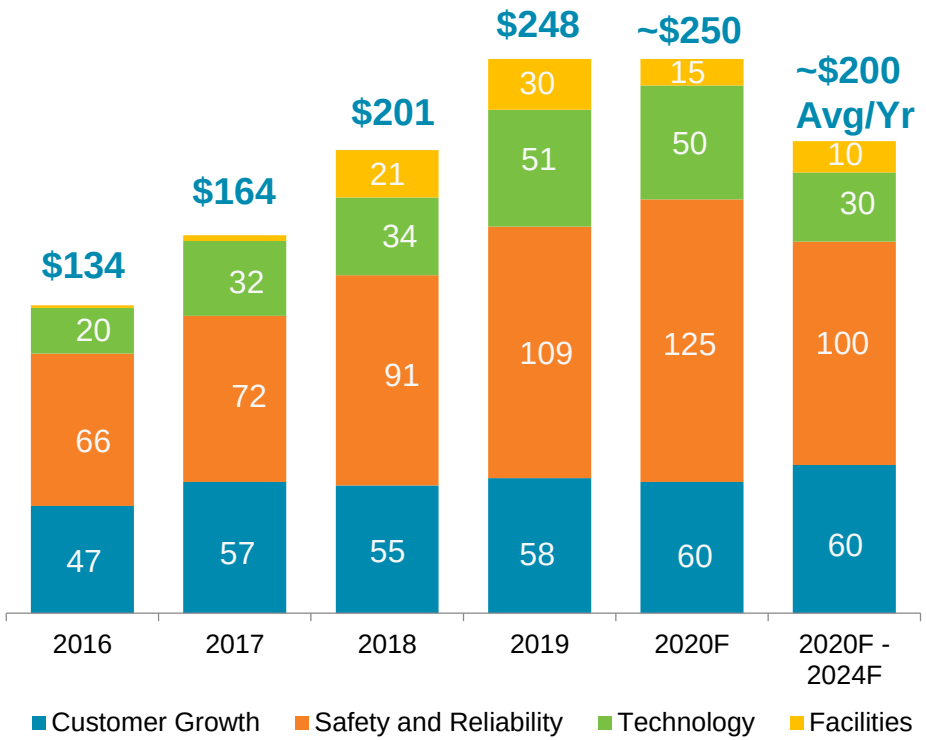


*Chart is based on accrual cap-ex figures and excludes North Mist Project

Five-Year Cap-Ex Approximately $1 Billion

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PROGRESSIVE REGULATION

	OREGON	WASHINGTON
KEY MECHANISMS:		
Decoupling/WARM	✓	
Purchased Gas Adjustment	✓	✓
Environmental Cost	✓	✓
Incentive Sharing(1)	✓	
RATE CASE TEST YEAR	Forward	Historical(2)
RATE STRUCTURES:		
ROE	9.4%	9.4%
ROR	6.965%	7.161%
Equity Ratio	50%	49%
2019 Rate Base(3)	$1.4B	$0.2B

(1) In Oregon, NW Natural shares PGA gains and losses
(2) In 2019, SB 5116 was passed granting the WUTC authority to incorporate costs and capital up to 48 months after the rate effective date
(3) Oregon rate base includes gas reserves and North Mist gas storage facility

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FILED WASHINGTON 2021 RATE CASE

- **Filed request December 18, 2020 –** based on continued system investment. An 11-month litigation period with new rates expected to be effective Nov. 1, 2021 and Nov. 1, 2022
- **Request Based on System Investments –** Multi-year rate case to recover investments and costs for:
  - System resiliency & reliability
  - Headquarter leasehold improvements & rent costs
  - Vancouver, Washington service center upgrades
  - Consumer-focused technology investments

	2019 RATE CASE	2021 - 2022 RATE CASE	
	Settled	Year 1 Request	Year 2 Request
ROE	9.4%	9.4%	9.4%
ROR	7.161%	6.913%	6.913%
Equity/ LT Debt/ ST Debt Ratio	49 / 50 /1	49 / 50 / 1	49 / 50 / 1
Rate Base	$173.7M	$225.9M	$247.3M
Revenue Requirement	+$5.1M	+$6.3M	+$3.2M
Net Income Benefit	+$3.8M	+$4.7M	+$2.4M

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FINISHED OREGON 2020 RATE CASE

- **Filed December 2019 –** OPUC issued order in October 2020 approving settlement. New rates were effective Nov. 1, 2020
- **Rate Base Growth –** Settlement includes $242.1 million increase in rate base related to capital that strengthens and reinforces the natural gas system, necessary system maintenance and operational resiliency, and technology upgrades
- **Cost Recovery –** Higher costs associated with new union contract, facilities, inflationary increases in payroll and benefits, and technology expenses

	2018-19 RATE CASE	2020 RATE CASE	
	Settled	Original Request	Order
ROE	9.4%	10.0%	9.4%
ROR	7.317%	7.298%	6.965%
Equity/Debt Ratio	50 / 50	50 / 50	50 / 50
Rate Base	$1.20B	$1.46B	$1.44B
Revenue Requirement	+$24.8M	+$71.4M	+$45.1M

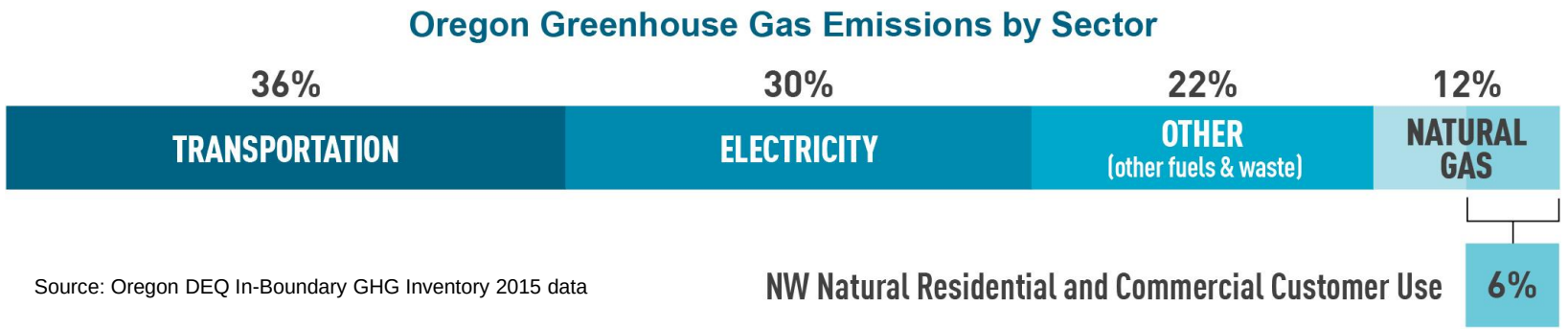
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ENVIRONMENTAL STEWARDSHIP

ROLE OF OUR SYSTEM TODAY

NW Natural's System

- Delivers more energy than any other utility in Oregon
- Heats 74% of residential square footage in the areas we serve
- Provides 90% of energy needs for our residential space and water heat customers on the coldest winter days
- One of the tightest, newest systems in the country
- Our residential and commercial customers' emissions account for just 6% of Oregon's total carbon emissions

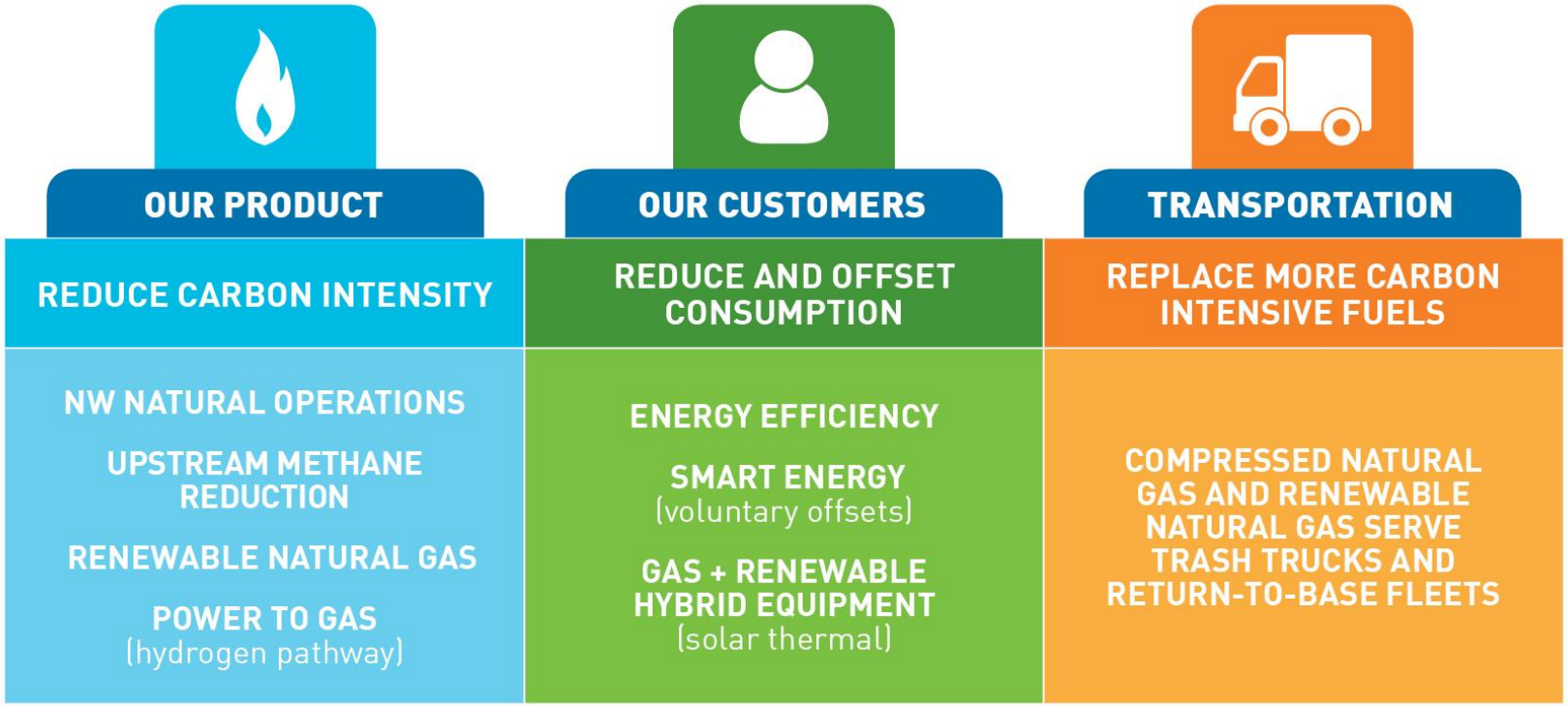


Source: Oregon DEQ In-Boundary GHG Inventory 2015 data

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OUR LOW-CARBON PATHWAY

VOLUNTARY GOAL: 30% CARBON SAVINGS BY 2035



Baseline: 2015 emissions associated with customer use & company operations

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ON TRACK TO MEET OR EXCEED LOW CARBON PATHWAY GOAL

Our voluntary carbon savings goal of 30% by 2035 includes greenhouse gas emissions from our own operations and the use of our product by our sales customers

2019: Above Target Savings Rate. 275,101 metric tons of carbon dioxide equivalent saved.
This marks 21.3% of savings toward goal, ahead of necessary pace

2019 Source of Savings Mix



49%
Energy Efficiency

43%
Smart Energy

8%
Upstream Methane

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DEEP DECARBONIZATION



How does the Pacific Northwest achieve an 80% reduction in economy-wide GHG emissions by 2050 from a 1990's baseline? What pathways are possible and what are the trade offs?

Believe natural gas will be critical to achieving deep decarbonization

- All four separately commissioned Northwest studies show natural gas is pivotal to achieving deep decarbonization most affordably and reliably
- NW Natural commissioned a study by premier environmental consultant, E3, to analyze how to achieve the goal while also serving peak energy needs on the coldest winter days

E3 study shows direct use of gas offers a viable, pragmatic path toward 2050 targets

- Study showed that with a 25% blend of renewable natural gas, the region can achieve deep decarbonization more affordably by using the existing gas system already in place
  - Recent Oregon Department of Energy study identified nearly 50 Bcf of RNG technical potential
  - Assumes commercialization of gas heat pumps
- Full electrification of heating would require:
  - Perfect adoption and proper installation of "cold climate" heat pumps in 2 million existing homes and businesses
  - The equivalent energy of 38 new large gas-fired peaker plants to serve 17 Gigawatts of new electric winter load
  - At an estimated incremental cost that grows to $3 billion more annually by 2050
  - Other electric scenario with more typical heat pump installations had an estimated incremental cost of $9.5 billion annually

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NEW THINKING IS REQUIRED FOR FUTURE

What is the goal?

- Emission reductions – as fast and affordably as possible

How are we driving to a lower carbon electric system?

- We didn't "cut the wires," we set out to decarbonize what went over them
  - From coal, to natural gas to more wind and solar

The same holds true for the gas delivery system

- We deliver energy through pipes, what goes through them will change
  - From natural gas, to renewable natural gas and renewable hydrogen

We're committed to decarbonization

- Using a variety of tools and supportive policy, we see a path to carbon neutrality by 2050. This is our vision forward:
  - RNG and renewable hydrogen,
  - Deep energy efficiency, and
  - End-use innovation

RENEWABLE NATURAL GAS

Turning the problem of waste into renewable energy

Wastewater Treatment Plants

Municipal Solid Waste

Landfills

Dairies

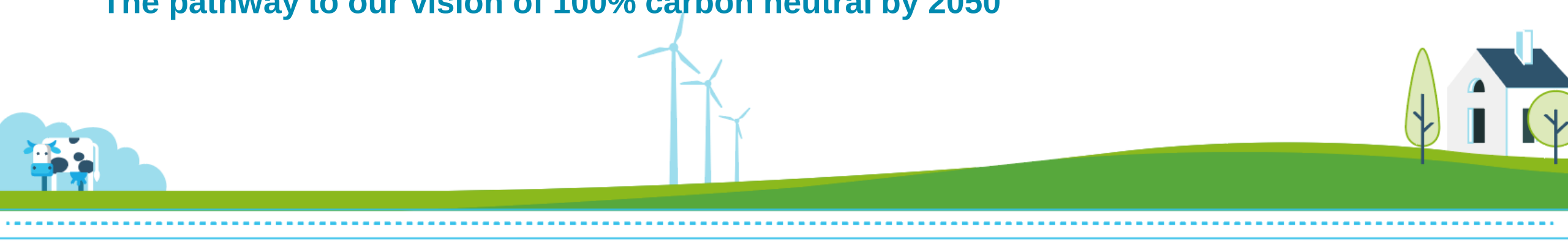
Wood and Agricultural Residues

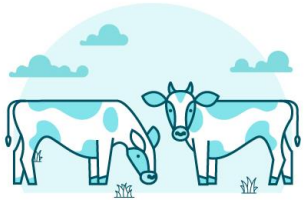


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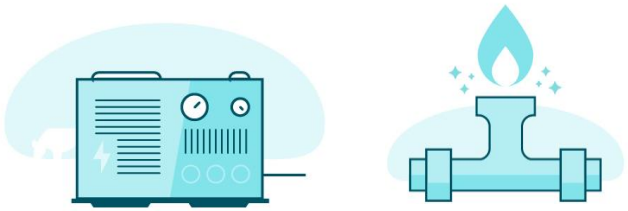
GETTING TO ZERO

The pathway to our vision of 100% carbon neutral by 2050

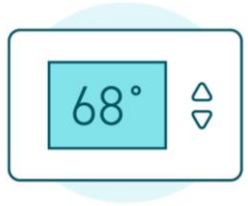




Renewable sources that do not contribute new carbon to the atmosphere



Partnership with cleaner electric systems to create seasonal and peak energy storage

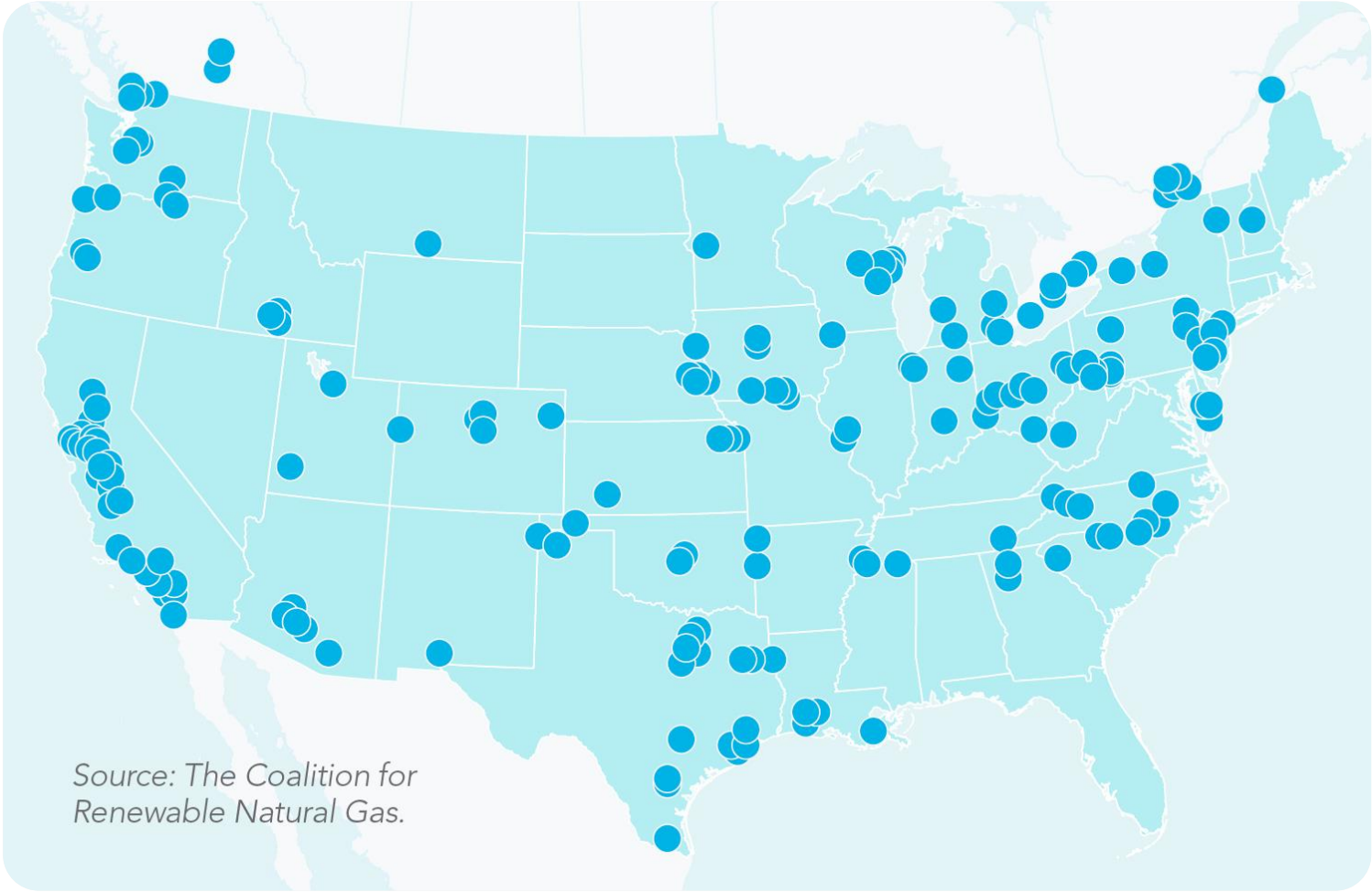


Encouraging innovation in efficiency

NW Natural®

FROM WASTE TO RENEWABLES

- 130 RNG facilities operating today in the U.S. and Canada
- Nearly 110 more are in development or under construction
- We are working to interconnect 3 projects onto our transportation system in the next 12 months
- Actively working to procure RNG for our customers in the near future



NW Natural®

POWER TO GAS

Converting wind, solar, or hydro to renewable hydrogen for use in pipeline system

- Partners with renewable electric system to solve the peak capacity gap
- Blends into the existing pipeline system for immediate use
- 100+ projects in Europe, 3 in North America

How to convert power to useable, renewable energy



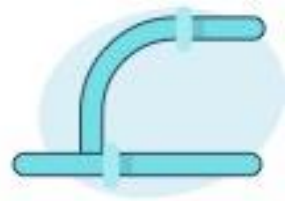
Take excess renewable electric energy



Add water (electrolysis) to create hydrogen



Blend hydrogen (or create RNG by methanating with waste carbon) into pipeline



Use now or store for the future

NW Natural®

ENABLING POLICY SUPPORT WITH GROUNDBREAKING RNG BILL

- Oregon law (SB 98) first-of-its-kind legislation that supports gas utilities purchasing renewable natural gas (RNG). Passed in 2019 and rulemaking completed in July 2020
- Creates another path for RNG to become an increasing part of the Oregon's energy supply, one of the most effective ways to reduce emissions
- Allows natural gas utilities to acquire RNG and hydrogen
- Sets voluntary RNG portfolio targets for Oregon's natural gas utilities
- Allows up to 5% of a utility's annual revenue requirement to be used to cover the incremental cost of RNG
- Allows for investments related to RNG infrastructure, including production facilities, cleaning and conditioning equipment, and pipeline interconnections
- Potential revenue source for communities to turn their waste into energy

Oregon Senate Bill 98 supports RNG targets:	2030	2035	2050
	15%	20%	30%

NW Natural®

RNG STRATEGY & NEAR-TERM OPPORTUNITIES

Dedicated RNG Team whose mission is to secure renewable supply for NW Natural customers and renewable resources to decarbonize the company's system

RNG Procurement Strategy is to prioritize contracts/investments that:

- Can deliver RNG at the lowest incremental cost to our customers
- Offer the largest volume of RNG over the next 5-10 years to help us meet SB 98 volumetric targets
- Have the lowest impact to our annual revenue requirement cap of 5%
- Include development or feedstock partners that have follow-on RNG opportunities

Strong Response to RNG RFP – Issued RFP in July 2020 after RNG rulemaking completed with strong response and several viable contracts we're pursuing

Hydrogen Facility – signed MOU with Bonneville Environmental Foundation & local Eugene electric utility to develop proof of concept electrolysis project (estimated at 5-10 MW)

TYSON RNG PARTNERSHIP

RNG investment partnership signed in December 2020

- Partnership encompasses four initial projects for an estimated $38 million investment
- Exercised first option for ~$8 million project
- Potential for additional RNG development projects at other Tyson food processing sites across U.S.







Tyson
FRESH MEATS TEAM

BioCarbN

CROSS RIVER
INFRASTRUCTURE PARTNERS LLC

NW Natural®

WATER

GROWING WATER UTILITIES

Tripled # of People Served in <3 Years

- NW Natural Water has tripled the number of people it serves since its initial transactions in Dec. 2017
- Today NW Natural Water serves 65,000 people through 26,000 water and wastewater connections

Expanding Footprint

- Began strategy with two acquisitions in Pacific Northwest
- Today also own a water utility in Texas, proving transaction capability beyond legacy service territory

Strong Organic Growth

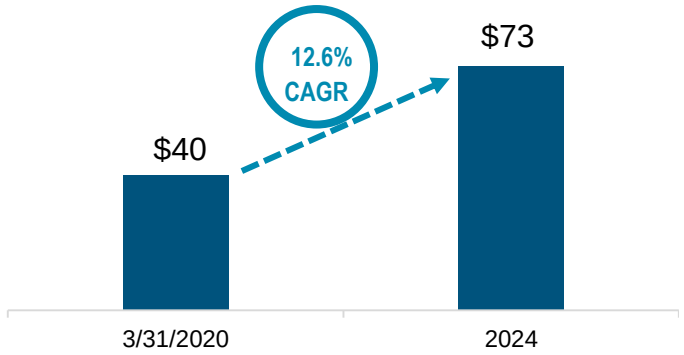
- Utilities in fast-growing areas with tuck-in potential
- Organic customer growth of 2.4% in 2019

Continued Disciplined Acquisition Strategy

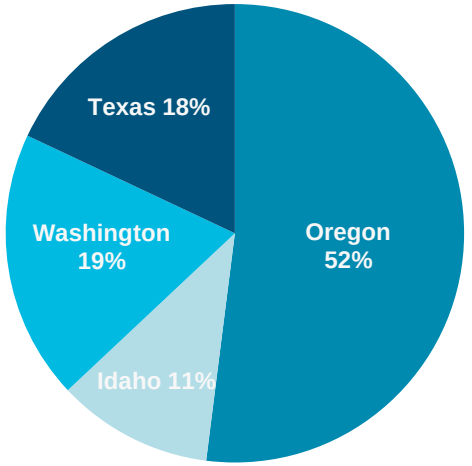
- Will continue rolling up utilities near existing platform, while also exploring other high growth regions West of the Mississippi

PP&E Growth

In millions

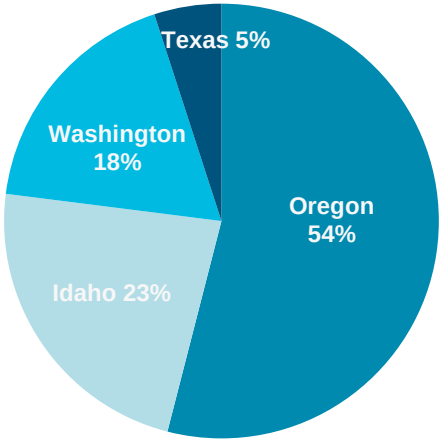


Acquisition Investment



~$110 Investment To-Date

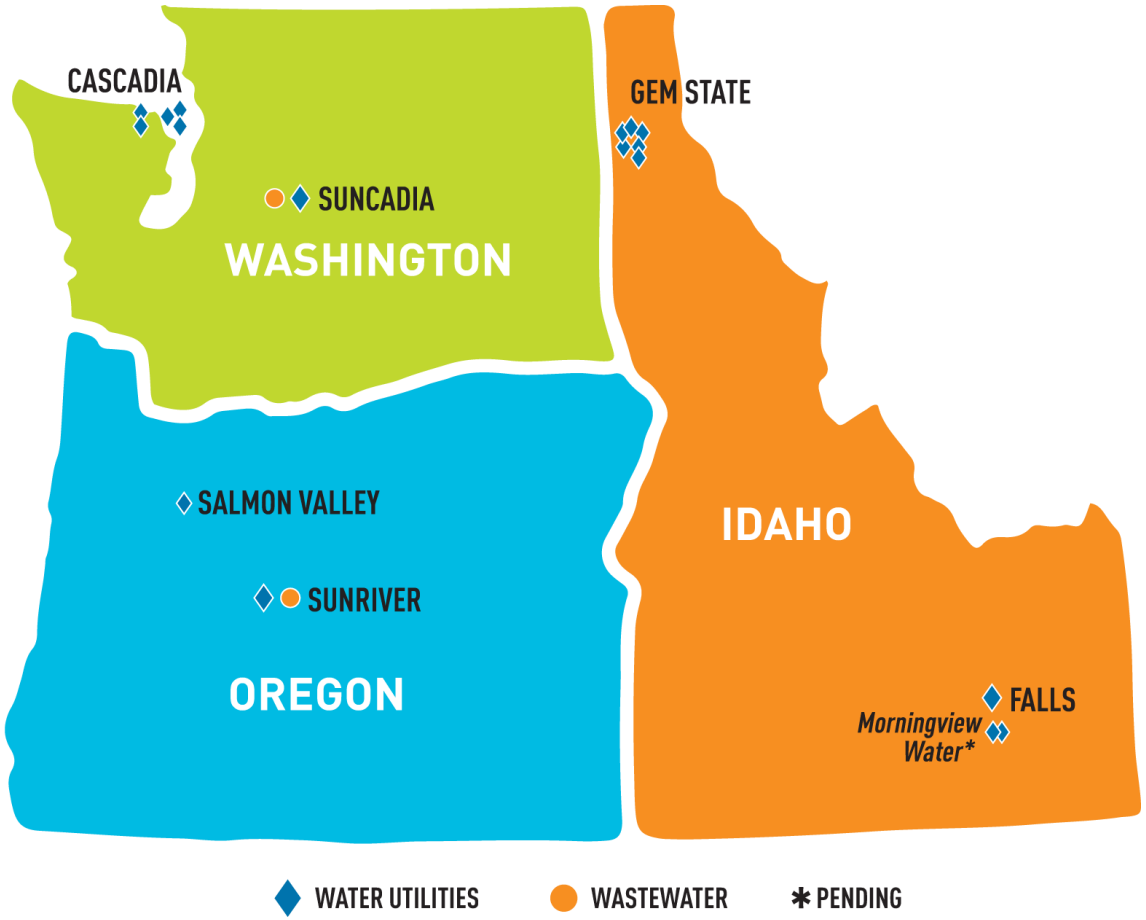
2020-2024 Planned Cap-Ex

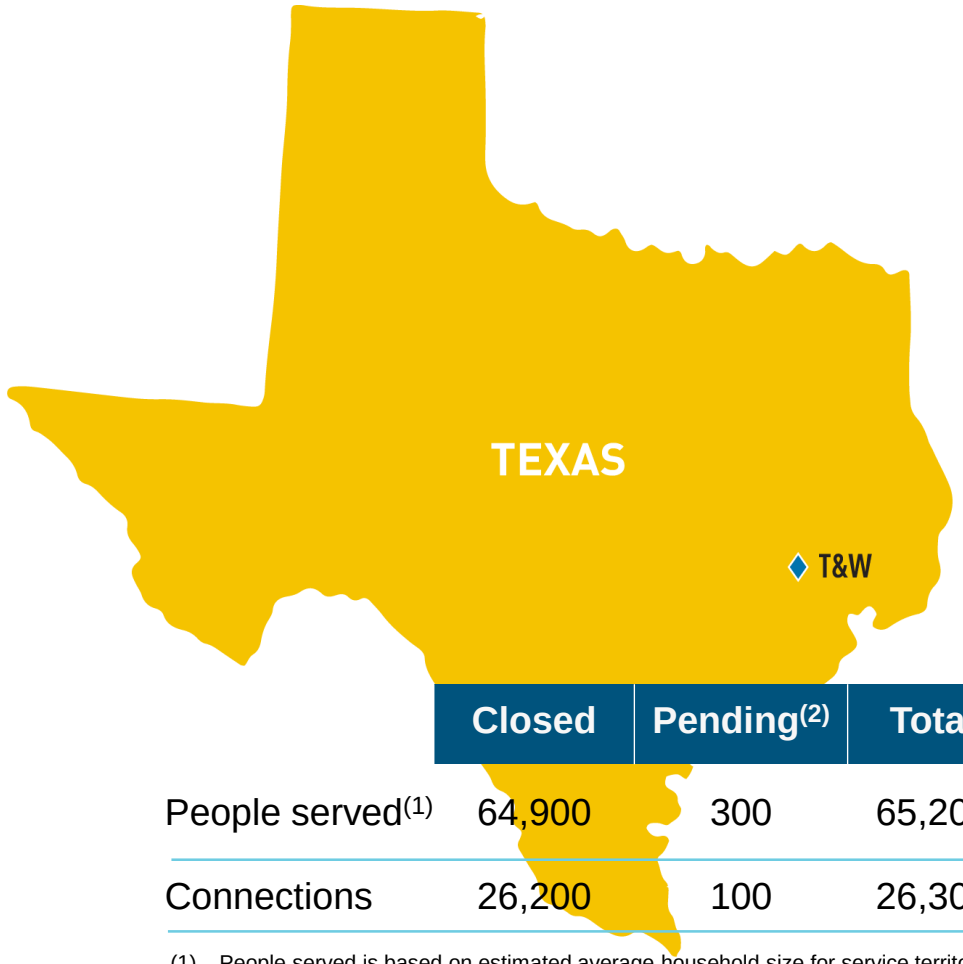


$30 - $40 Million Planned

NW Natural WATER™

NW NATURAL WATER AT A GLANCE





	Closed	Pending(2)	Total
People served(1)	64,900	300	65,200
Connections	26,200	100	26,300

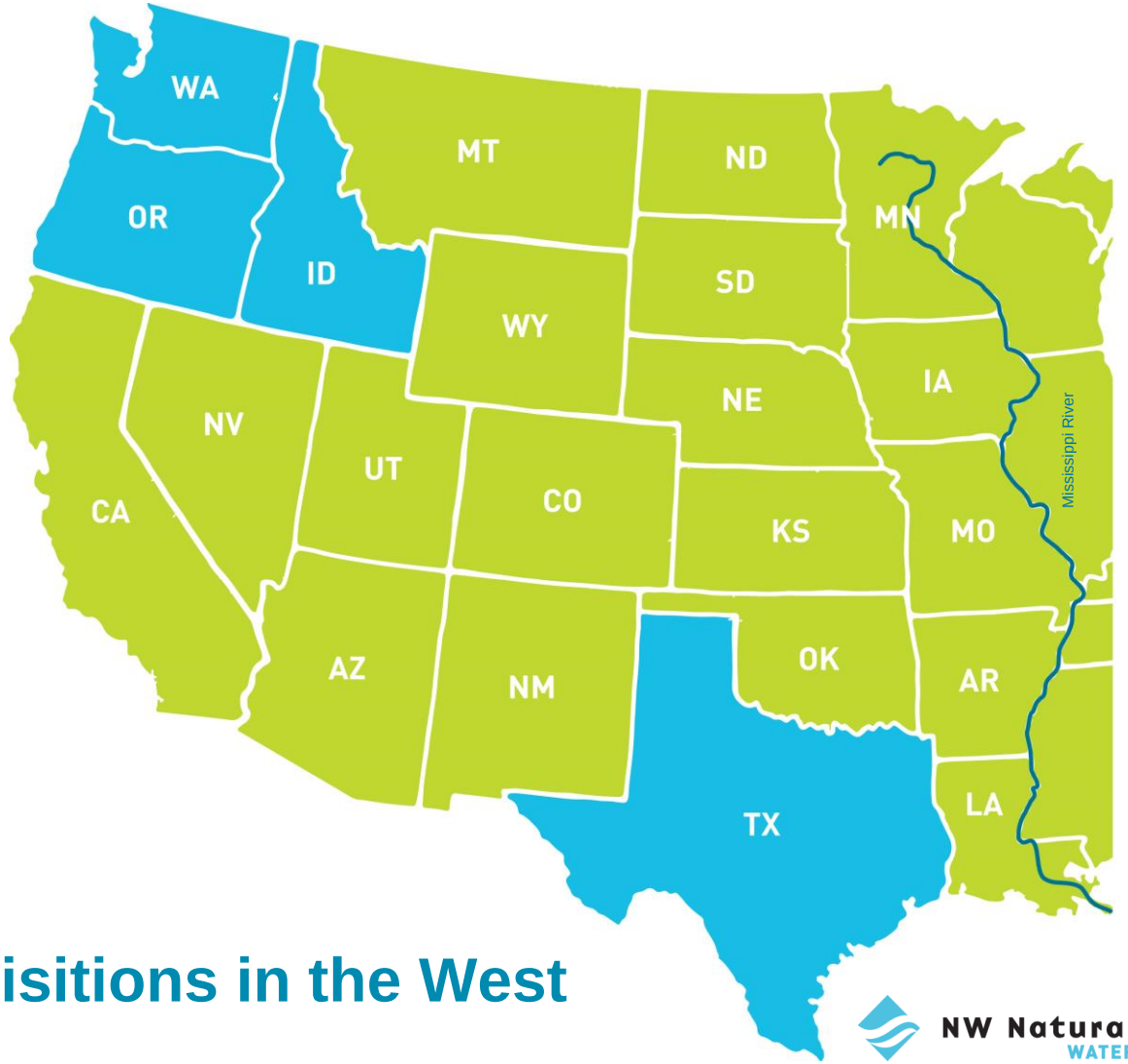
(1) People served is based on estimated average household size for service territory
(2) Pending transaction is expected to close in 2020

NW Natural WATER™

WATER & WASTEWATER OPPORTUNITIES

	All Water and Wastewater Systems		Privately Owned Systems	
	Systems	Connections	Systems	Connections
Pacific Northwest	4,700	5.6M	2,760	511,000
Texas	5,739	17.3M	2,400	400,000
West of Mississippi	36,500	77.3M	16,700	9.1M
United States	77,000	188.6M	30,160	20.5M

Numbers in table above represent permanent community water and wastewater systems
Source: Bluefield



Opportunities for Acquisitions in the West

NW Natural WATER™

STRATEGIC RATIONALE FOR WATER

The water and wastewater sector aligns well with NWN's conservative risk profile and offers diversification, stable cash flows, and substantial long-term investment opportunities

Conservative Business Profile

- Demand for water and wastewater is relatively inelastic
- Stable, predictable cash flows

Aligns with Core Competencies

- Aligns with our core competencies including:
  - Customer service
  - Developing and managing critical distribution infrastructure safely and reliably
  - Environmental stewardship
  - Constructive regulatory engagement

Supportive Regulatory Environment

- Existing constructive relationships with regulators that can be extended to water sector
- Federal and state agencies driving upgrades to water and wastewater infrastructure

Need for Substantial Investment

- EPA estimates over $775 billion in water and wastewater capital needs nationally through 2040
- Over long term, growing water business targeted to be an earnings driver and opportunity to deploy capital at attractive rates of return for infrastructure needs

Deliberate and Disciplined Roll-Up Strategy

NW Natural WATER™

FINANCIAL PERFORMANCE

FOCUS ON EARNINGS

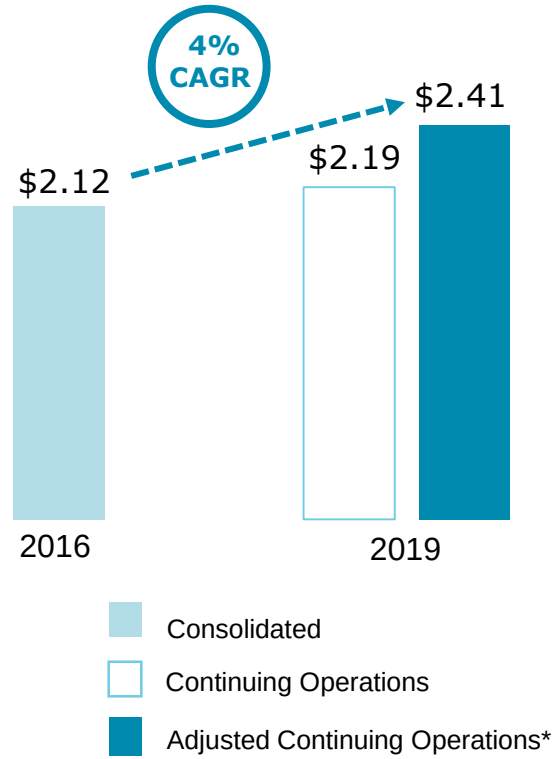
Executing on LT Strategy, Providing Growth

- Actions taken since 2016
  - ✓ Completed successful rate cases in OR & WA
  - ✓ Added ~38,000 customers
  - ✓ Invested over $650 million in gas infrastructure
  - ✓ Brought North Mist online
  - ✓ Launched water utility strategy

2020 Year of Transition

- Continued customer growth and robust capital plan
- Higher costs related to union contract, payroll, facilities, and technology
- Led to Oregon rate case filing with new rates effective on Nov. 1, 2020
- Financial impacts from COVID-19

Earnings Per Share Growth



*Adjusted 2019 EPS from continuing operations excludes regulatory disallowance of $10.5 million pre-tax ($6.6 million after-tax or $0.22 per share) from GAAP net income from continuing operations of $65.3 million or $2.19 per share. See appendix for non-GAAP reconciliation.

NW Natural HOLDINGS™

STRONG LIQUIDITY

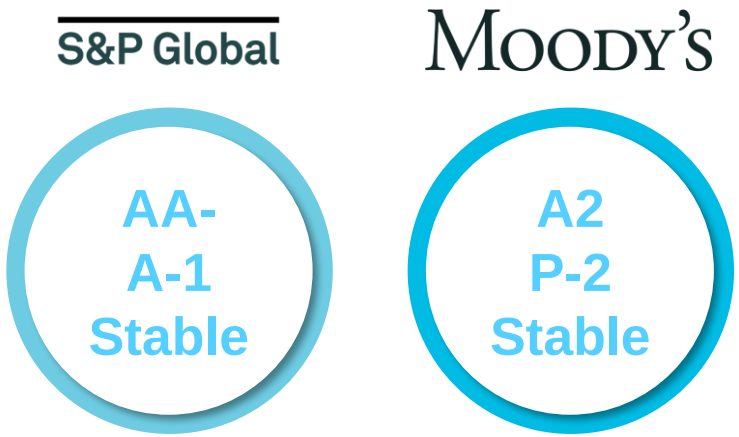
NW Holdings

- $100 million credit facility
- Expires in 2023
- Extension for two additional one-year periods
- Access to capital markets

NW Natural

- $300 million credit facility
- Expires in 2023
- Extension for two additional one-year periods
- Access to capital markets
- Solid credit ratings(1)

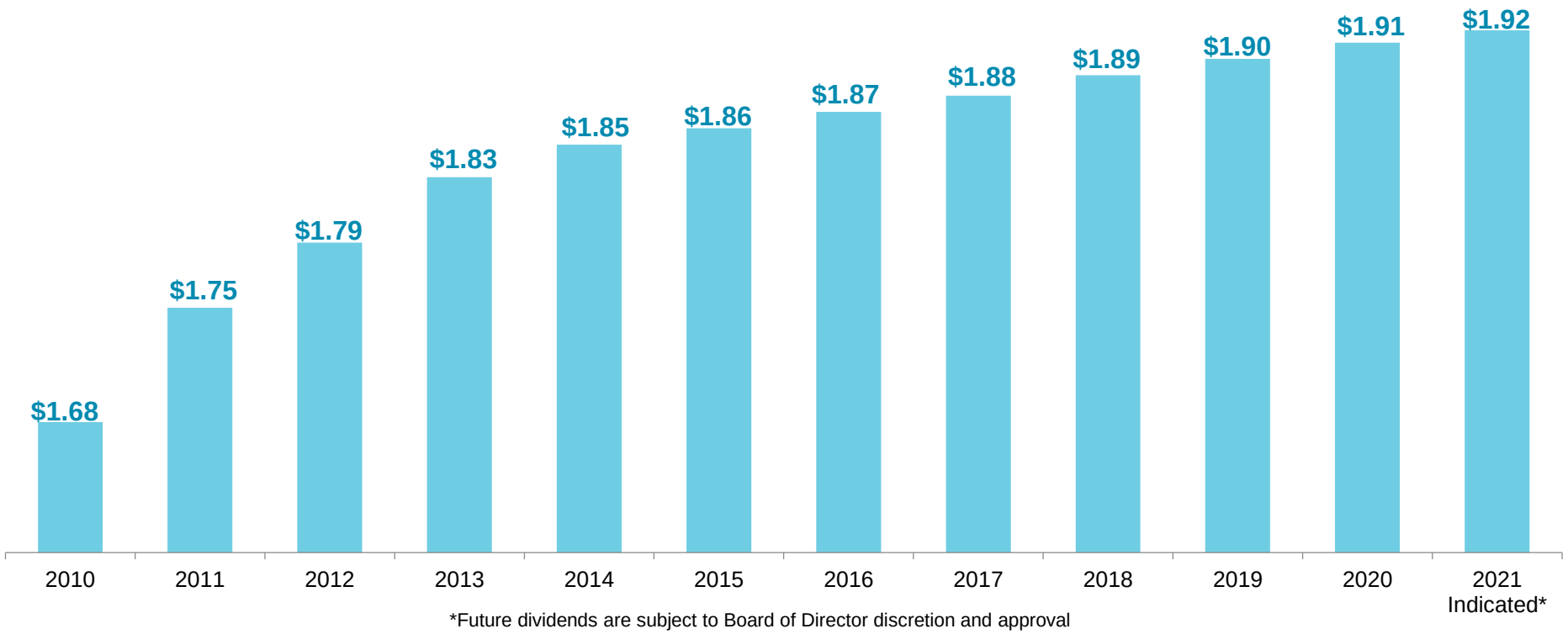
NW Natural Credit Ratings(1)



(1) The above credit ratings are dependent upon a number of factors, both qualitative and quantitative, and are subject to change at any time. The disclosure of these credit ratings is not a recommendation to buy, sell or hold NW Holdings securities. AA- and A2 are secured debt ratings and A-1 and P-2 are commercial paper ratings

NW Natural HOLDINGS™

65 YEARS OF GROWING DIVIDENDS



*Future dividends are subject to Board of Director discretion and approval

1 of only 3 Companies on NYSE with this Legacy

NW Natural HOLDINGS™

CONCLUSION

INVESTMENT THESIS

Stable and growing utility margins driven by targets over the next five years projections including:

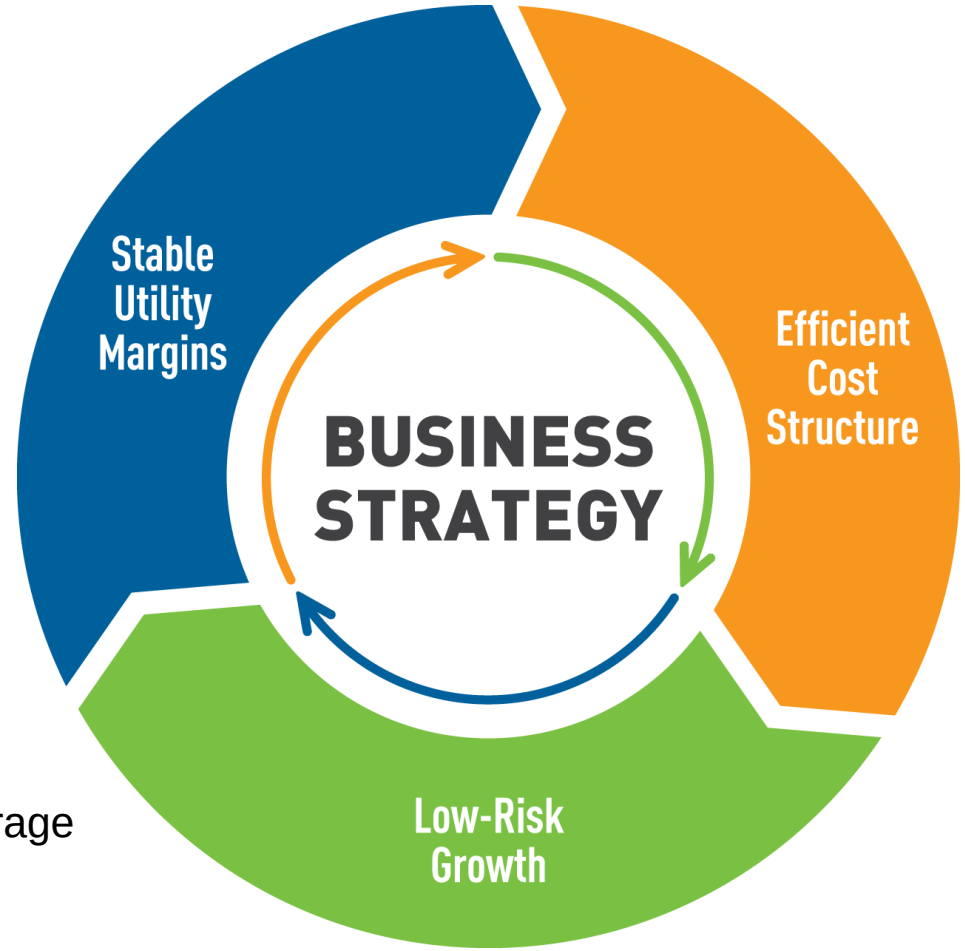
- EPS growth of 3% – 5%
- Gas utility customer growth 1.7%+
- Gas utility cap-ex $950 million – $1.1 billion, projecting rate base growth of 4% – 6%

Excellent operations and efficient cost structure

- Commitment to safety, reliability, and high-quality service
- Continued focus on efficient business operations

Lower-Risk Growth

- North Mist in gas utility segment provides additional regulated storage
- Water strategy provides earnings diversity



Stable and Growing Return Proposition

APPENDIX

NET INCOME FROM CONTINUING OPERATIONS

Natural Gas Distribution (NGD)

- Higher investment in system led to increased depreciation & general taxes
- Higher other income, net and lower tax benefits are related to pension disallowance in PY and recovering pension expenses through rates

Other

- Lower asset management revenues
- Higher water & wastewater revenues
- Impact of 1.4 million share issuance

(1)Adjusted 2019 net income from continuing operations is non-GAAP and excludes the regulatory pension disallowance of $10.5 million pre-tax or $6.6 million and 22 cents per share after-tax. See “Non-GAAP Reconciliation" for additional information in Appendix

YTD Q3 2020 vs. Q3 2019



Investing in our Systems

NON-GAAP RECONCILIATION

	YTD 3Q 2020		YTD 3Q 2019		FY 2019		FY 2018	
	$	EPS	$	EPS	**$**	**EPS**	$	EPS
(In millions)								
Net income from continuing operations	$24.5	$0.80	$27.0	$0.91	$65.3	$2.19	$67.3	$2.33
Regulatory pension disallowance(1)	-	-	10.5	0.35	10.5	0.35	-	-
Income tax effect of disallowance(1)	-	-	(3.9)	(0.13)	(3.9)	(0.13)	-	-
Adjusted net income from continuing operations	$24.5	$0.80	$33.6	$1.13	$71.9	$2.41	$67.3	$2.33
Diluted Shares		30.6		29.6		29.9		28.9

(1) Regulatory pension disallowance recognized in Q1 2019. Tax effect of adjustment is calculated using a combined federal and state statutory rate of 26.5% as well as a $1.1 million deferred tax asset specifically associated with the pension balancing account.

NW Natural HOLDINGS™

SUPPORTIVE MECHANISMS

OREGON
Decoupling

- Breaks link between earnings and consumption by removing incentive to increase usage
- Employs use-per-customer decoupling calculation, which adjusts margin revenues to account for the difference between actual and expected customer volumes

OREGON
Weather Normalization (WARM)

- Stabilizes collection of fixed costs for residential and commercial customers
- Adjusts billings based on temperature variances compared to average weather
- Applied from December through May of each heating season

OREGON • WASHINGTON
Purchased Gas Adjustment (PGA)

- Adjusts annual rates to reflect changes in expected cost of gas commodity purchases
- Includes spot purchases, contract supplies, derivatives, storage inventories, in OR gas reserves
- Includes temporary rate adjustments amortizing deferred regulatory account balances

OREGON • WASHINGTON
Environmental Cost Recovery

- Recovers environmental costs for sites attributable to each state at a rate of 96.68% in Oregon and 3.32% in Washington
- Costs are subject to an annual prudence review in both Oregon and Washington, and in Oregon an earnings test[1]
- Allows for deferral of environmental costs in both Oregon and Washington, and in Oregon the accrual of carrying costs

(1) To the extent the utility earns more than its authorized ROE in Oregon in a year, the utility is required to cover environmental expenses and interest on expenses greater than $10 million (plus interest from insurance proceeds) with those earnings that exceed its authorized ROE

NW Natural®

CURRENT UTILITY COMMISSIONERS

	OREGON COMMISSION (OPUC)	WASHINGTON COMMISSION (WUTC)	IDAHO COMMISSION (IUTC)	TEXAS COMMISSION (PUCT)
Chair	**Megan Decker (D)** • Appointed April 2017 • Term ends March 2021	**David Danner (D)** • Appointed chair Feb 2013 • Current term ends Jan 2025	**Paul Kjellander (R)** • Appointed 2011 • Term ends Jan 2023	**DeAnn Walker (R)** • Appointed Sep 2017 • Term ends Sept 2023
Commissioners	**Letha Tawney (D)** • Appointed May 2018 • Term ends May 2024	**Ann Rendahl (D)** • Appointed Dec 2014 • Current term ends Jan 2027	**Kristine Raper (D)** • Appointed Feb 2015 • Term ends Jan 2021	**Arthur D'Andrea (R)** • Appointed Nov 2017 • Term ends Aug 2023
	Mark Thompson (R) • Appointed Dec 2019 • Term ends Nov 2023	**Jay Balasbas (R)** • Appointed Feb 2017 • Term ends Jan 2023	**Eric Anderson (R)** • Appointed Dec 2015 • Term ends Jan 2025	**Shelly Botkins (R)** • Appointed June 2018 • Term ends Sept 2025

DIVERSE RESOURCE PORTFOLIO

Gas Supply

- 60% supply from Canada
- 40% supply from the Rockies
- Natural gas serves territory through one bi-directional pipeline

LNG Peaking Facilities

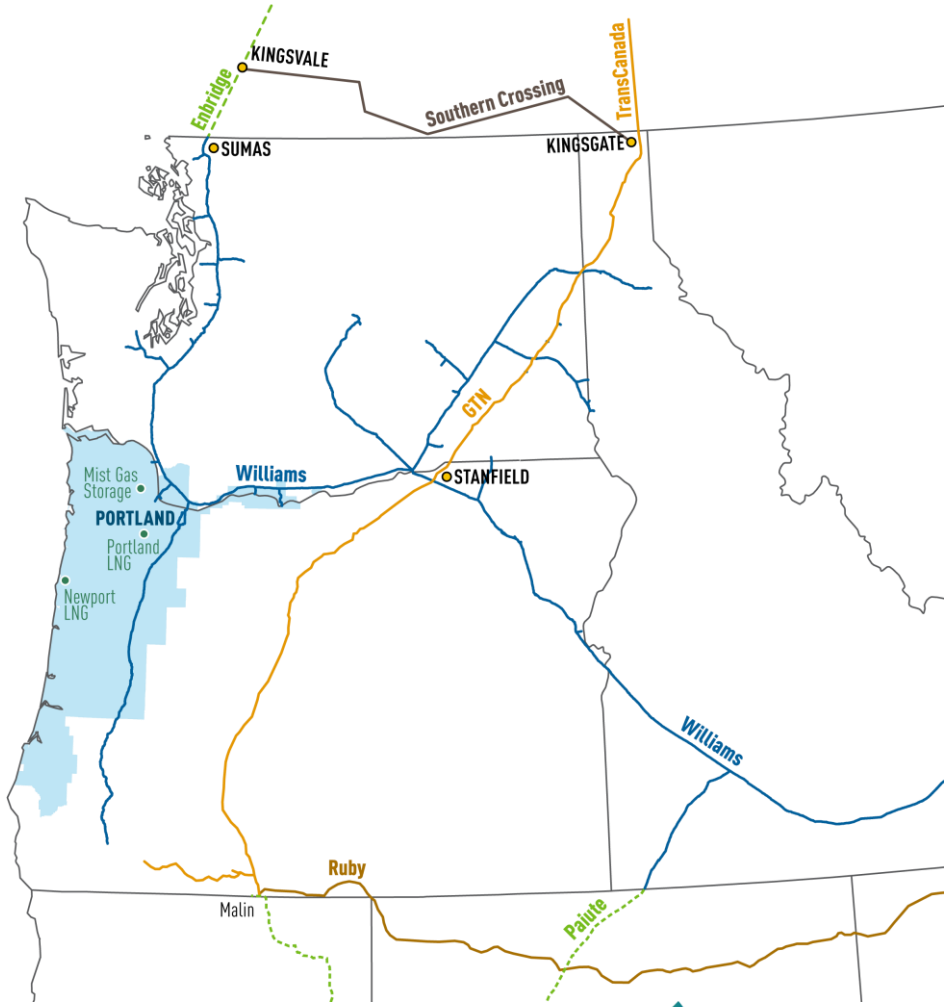
- Portland LNG – 0.6 Bcf
- Newport LNG – 1.0 Bcf

Mist Gas Storage Facility

- Valuable asset – limited storage in the Pacific Northwest
- 16 Bcf facility with 11 Bcf serving utility customers and 5 Bcf under long-term contracts
- Utility can recall 5 Bcf to support customer demand

North Mist Storage Expansion

- 4 Bcf expansion serves a single customer under long-term contract



NW Natural®

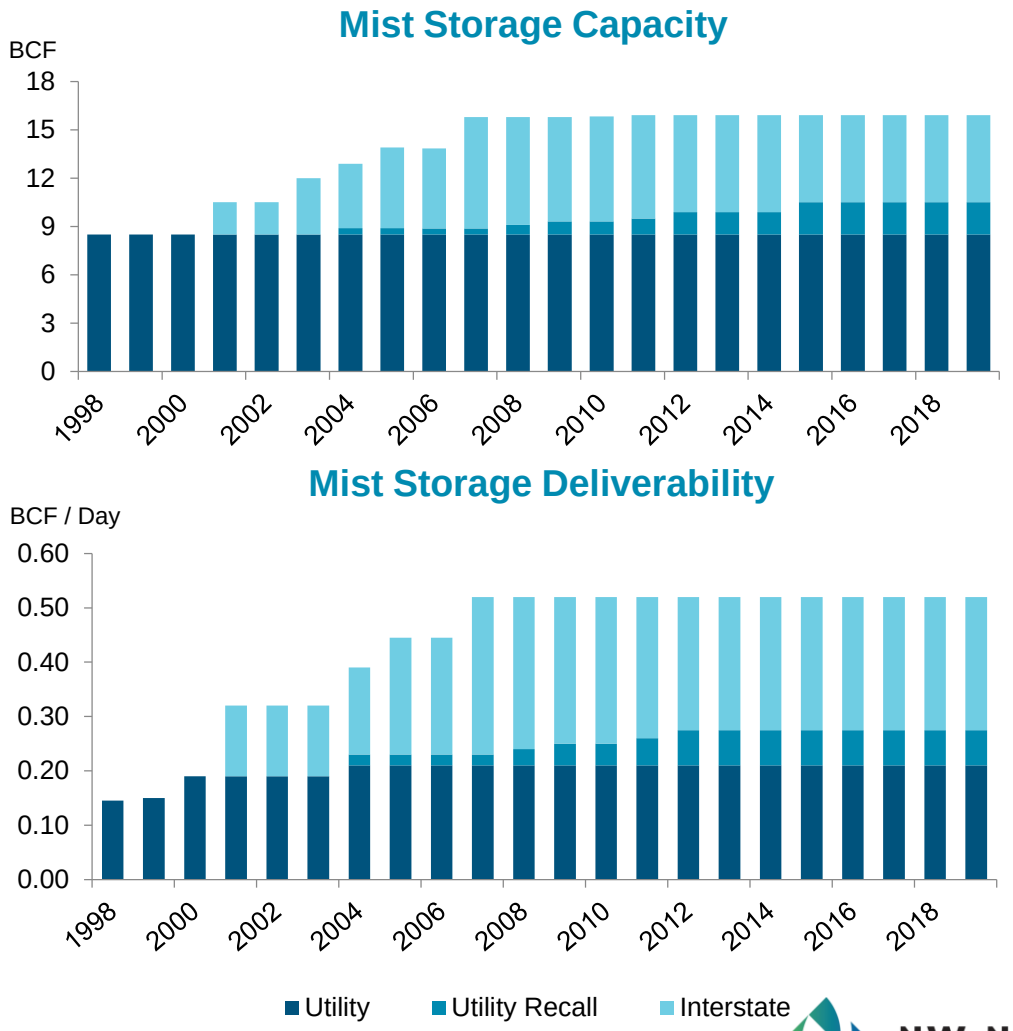
MIST STORAGE FACILITY

Overview

- In operation since 1989
- Storage capacity at Mist 16 Bcf
  - 11 Bcf Core Utility
  - 5 Bcf Interstate Storage Services

Unique, Valuable Asset

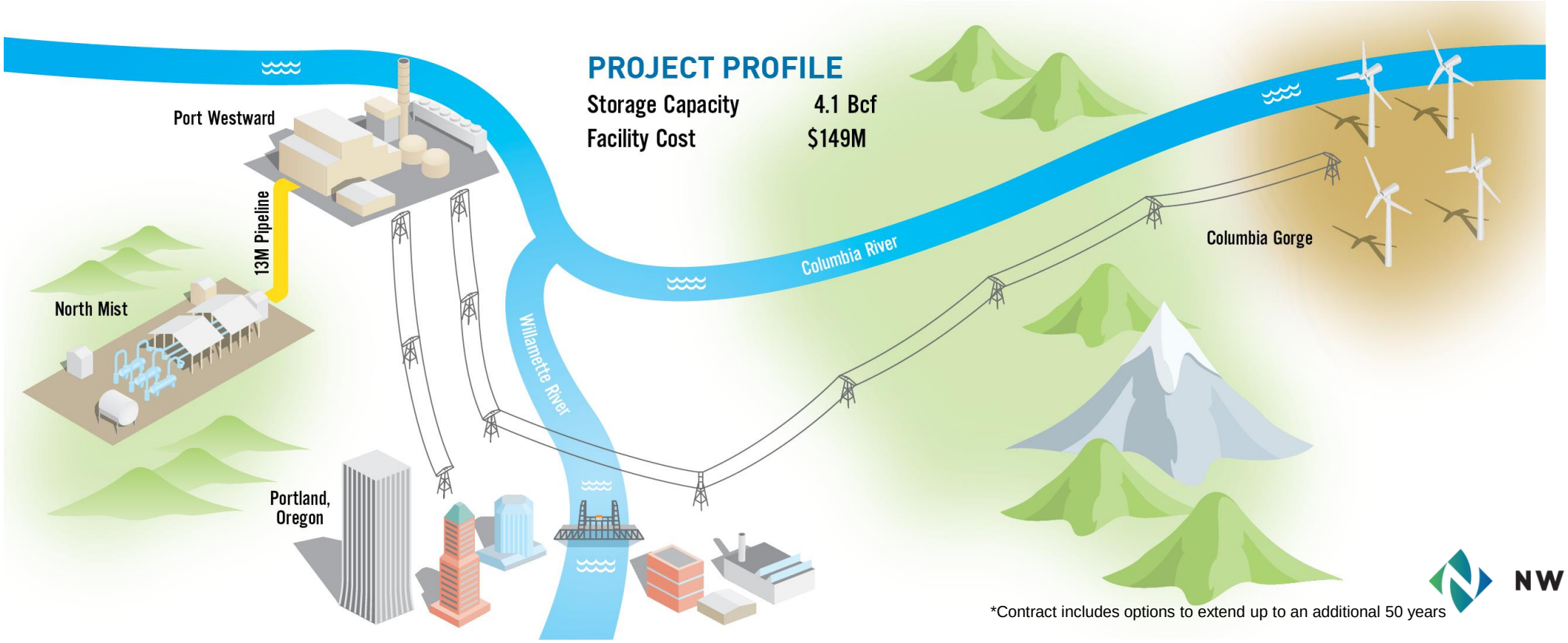
- Limited storage options in Pacific Northwest
- Part of utility's diverse, reliable gas supply strategy
- Utility can recall Interstate portion for Core Utility demand
- Optimize non-utility portion and share revenues with utility customers
- 5 Bcf under long-term high-value contracts



NW Natural®

NORTH MIST FACILITY

- Unique no-notice 24/7 storage service supporting gas-fired electric generating facilities that are integrating wind into energy generation mix
- $149 million investment was immediately included in rate base once placed into service in May 2019
- Contracted under 30-year agreement with single-customer (Portland General Electric)*



*Contract includes options to extend up to an additional 50 years

NW Natural®

WATER TRANSACTIONS

Company	People Served	Connections	Location	Date Signed	Date Closed	Transaction Details
Salmon Valley Water Company	1,850	921	Welches, OR	12/18/2017	11/1/2018	
Falls Water Company	19,400	6,309	Idaho Falls, ID	12/19/2017 6/28/2019	9/13/2018 8/3/2020	Falls Water Taylor Mountain
Cascadia	5,317	1,796	Whidbey Island, WA	5/15/2018 1/22/2019 11/2/2020	11/2/2018 5/1/2019 11/12/2020	Lehman & Sea View Estates/Monterra Del Bay Association
Sunriver Water & Environmental	20,041	9,382	Sunriver, OR	10/12/2018	5/31/2019	
Gem State	2,050	832	Coeur d'Alene, ID	12/18/2018 3/21/2019 9/12/2019	7/31/2019 10/1/2019 4/2/2020	Spirit Lake East/Lynnwood Diamond Bar/Bar Circle S Happy Valley/Bitterroot
Suncadia Water & Environmental	6,767	3,182	Cle Elum, WA	10/12/2019	1/31/2020	Suncadia
T&W Water	9,503	3,801	Conroe, TX	10/31/2019	3/2/2020	T&W Water
Total Closed at 11/30/20	**64,928**	**26,223**				
Morningview Water	295	118	Rigby, ID	7/2/2020		Will be part of Falls Water
Total Pending	**295**	**118**				
Total Closed & Pending	**65,223**	**26,341**				

NW Natural WATER™

RELIABLE
RESILIENT
RENEWABLE

NW Natural HOLDINGS™