



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
37.06	29.03	31.08	29.86	23.76	24.63	21.48	20.60	20.42	21.47	23.10	22.90	21.46	28.80	35.08	32.35	34.50	36.90	Revenues per sh	37.65
2.81	2.76	2.60	2.36	2.71	3.02	3.09	3.14	3.44	3.70	3.96	4.11	4.29	6.45	8.77	9.35	8.75	7.05	"Cash Flow" per sh	6.80
1.09	.71	.38	.45	1.05	1.37	1.55	1.56	1.60	1.86	2.06	2.17	2.34	4.23	6.78	7.00	6.35	4.65	Earnings per sh A	4.25
1.19	1.19	1.19	1.19	1.19	1.19	1.21	1.23	1.25	1.28	1.34	1.40	1.48	1.56	1.65	1.75	1.87	1.97	Div'd Decl'd per sh B	2.20
7.51	4.95	2.38	2.04	3.20	4.53	4.40	4.23	4.10	3.36	2.66	5.16	8.96	4.14	4.11	4.72	6.00	6.00	Cap'l Spending per sh	6.25
19.14	18.78	17.57	15.83	14.43	14.75	15.39	15.98	17.03	17.62	18.38	19.46	21.00	23.84	29.24	29.42	31.15	32.25	Book Value per sh C	34.25
35.38	35.81	36.00	36.10	36.17	36.27	37.22	37.86	39.35	39.56	39.66	40.16	41.47	41.55	41.63	41.71	42.00	42.00	Common Shs Outst'g D	42.50
30.1	31.2	NMF	47.5	21.7	21.1	18.8	18.2	20.2	22.1	22.2	23.5	18.3	12.3	9.5	10.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.5
1.81	2.08	NMF	2.98	1.38	1.19	.99	.92	1.06	1.11	1.20	1.25	.94	.66	.55	.61			Relative P/E Ratio	.95
3.6%	5.4%	5.7%	5.6%	5.2%	4.1%	4.1%	4.3%	3.9%	3.1%	2.9%	2.7%	3.5%	3.0%	2.5%	2.3%			Avg Ann'l Div'd Yield	3.4%

CAPITAL STRUCTURE as of 3/31/24
 Total Debt \$943.5 mill. Due in 5 Yrs \$207.8 mill.
 LT Debt \$943.5 mill. LT Interest \$31.6 mill.
 (LT interest earned: 9.7x)

Leases, Uncapitalized Annual rentals \$5.0 mill.
Pension Assets-12/23 \$313.8 mill.
Oblig \$416.7 mill.

Pfd Stock None

Common Stock 41,814,425 shs. as of 4/30/24

MARKET CAP: \$3.8 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-3.9	+3	+16.8
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA

Fixed Charge Cov. (%) 405 651 653

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '21-'23 of change (per sh)

Revenues	-1.0%	4.0%	5.0%
"Cash Flow"	7.5%	9.5%	5.5%
Earnings	18.0%	14.5%	4.5%
Dividends	2.5%	4.0%	7.0%
Book Value	3.5%	6.0%	8.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	261.7	285.6	316.3	333.2	1196.8
2022	374.9	400.0	383.9	301.4	1460.2
2023	339.1	337.7	358.1	314.3	1349.2
2024	347.1	365	390	347.9	1450
2025	375	395	395	385	1550

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.73	1.01	1.26	1.23	4.23
2022	1.72	2.05	2.01	1.00	6.78
2023	1.49	1.95	2.19	1.37	7.00
2024	1.77	1.70	1.75	1.13	6.35
2025	1.10	1.15	1.20	1.20	4.65

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.37	.37	.37	.37	1.48
2021	.39	.39	.39	.39	1.56
2022	.4125	.4125	.4125	.4125	1.65
2023	.4375	.4375	.4375	.4375	1.75
2024	.4675				

BUSINESS: Otter Tail Corporation is the parent of Otter Tail Power Company, which supplies electricity to 133,000 customers in Minnesota (52% of retail electric revenues), North Dakota (38%), and South Dakota (10%). Electric rev. breakdown: residential, 32%; commercial & farms, 36%; industrial, 30%; other, 2%. Generating sources: coal, 38%; wind & other, 18%; purchased, 44%. Fuel costs: 10% of revenues. Also has operations in manufacturing and plastics (67% of '23 operating income). '23 deprec. rate: 3.0%. Has 2,500 employees. Chairman: Nathan I. Partain. President & CEO: Charles S. MacFarlane. Inc.: Minnesota. Address: 215 South Cascade St., P.O. Box 496, Fergus Falls, Minnesota 56538-0496. Tel.: 866-410-8780. Internet: www.ottertail.com.

Otter Tail Corporation raised its earnings target for 2024 upon reporting March-period results. Management now looks for profits this year to end up in a range of \$6.23-\$6.53 per share, from the previous target range of \$5.13-\$5.43 a share. The Plastics segment continues to outperform expectations due to higher sales driven by growth in customer volumes and strong distributor and end market demand. Indeed, earnings in the Plastics division rose 39% from the first quarter of 2023, and PVC pipe is expected to recede at a much slower rate than previously anticipated, which is largely responsible for Otter Tail's updated guidance range. Meanwhile, the manufacturing segment's profit target was cut due to lower-than-expected sales volumes and margins. Too, the Electric division is projected to make up just 34% of the bottom line, versus the long-term goal of 65% electric and 35% non-electric.

We have raised our 2025 earnings estimate by \$0.65, to \$4.65 per share. Otter Tail should benefit from rate relief in Minnesota and North Dakota over that interim. Furthermore, the utility's updated

expectations for the Plastics segment will likely pour into next year, lifting profits higher than previously projected. The company is also well positioned to take advantage of its clean-energy transmission investments, which include \$1.3 billion of capital spending over the next five years, and is expected to produce 7.7% rate base growth.

Otter Tail shares have risen slightly in value since our March report, and are now up nearly 20% over the past year. Investors are enthused by better-than-expected earnings and elevated power demand from tech innovations and data centers. At the recent quotation, upside potential here in the 18-month and 3- to 5-year time frames is negative.

The dividend yield is below average by utility standards. Even after the payout was raised in the March quarter, the current yield of 2.1% sits below the high-paying industry median. Too, long-term prospects are unattractive. On the other hand, these shares are ranked to outpace the broader-market averages over the coming six to 12 months.

Zachary J. Hodgkinson June 7, 2024

(A) Dil. EPS. Excl. nonrec. gains (loss): '10, (44c); '11, 26c; '13, 2c; gains (losses) from disc. ops.: '11, (\$1.11); '12, (\$1.22); '13, 2c; '14, 2c; '15, 2c; '16, 1c; '17, 1c. '19 EPS may not sum due to rounding. Next earnings report due early Aug. (B) Div's histor. pd. in early Mar., Jun., Sept., & Dec. ■ Div'd reinv. plan avail. (C) Incl. intang. In '23: \$4.72/sh. (D) In mill. (E) Rate allowed on com. eq. in MN in '22: 9.48%; in ND in '18: 9.77%; in SD in '19: 8.75%; earned on avg. com. eq., '21: 19.2%.

Company's Financial Strength A
Stock's Price Stability 80
Price Growth Persistence 80
Earnings Predictability 70