Otter Tail Corporation, a holding company, supplies electricity to 133,000 customers in Minnesota (52% of retail electric revenues), North Dakota (38%), and in South Dakota (10%). The company serves primarily rural areas, with commercial and industrial customers constituting about 30% of its load. Generating over 20% of its revenue in the first quarter of 2022, the company is well positioned to benefit from the ongoing transition to renewable energy sources.

**Electric Operating Statistics**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue ($ million)</th>
<th>Adj. EBIT ($ million)</th>
<th>Adj. EBIT/M ($ million)</th>
<th>Adj. EBIT Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1,724</td>
<td>434</td>
<td>253</td>
<td>14.7</td>
</tr>
<tr>
<td>2020</td>
<td>1,674</td>
<td>385</td>
<td>230</td>
<td>13.9</td>
</tr>
<tr>
<td>2019</td>
<td>1,625</td>
<td>361</td>
<td>222</td>
<td>13.7</td>
</tr>
</tbody>
</table>

**Financial Highlights**

- **Net Income**: $416.7 million (up 32%)
- **Earnings Per Share**: $4.18 ($1.48 in 2021)
- **Cash Flow**: $225.8 million (up 32%)
- **Free Cash Flow**: $170.3 million (up 10%)
- **Return on Equity**: 13.3%
- **Dividend Yield**: 3.3%

**Market Cap**: $2.7 billion

**Valuation**

- **Price**: $28.80 (52 Week High 2022)
- **P/E Ratio**: 12.5
- **EPS Growth**: 7.0%
- **Revenue Growth**: 5.3%
- **EPS**: $4.13 (2021)
- **Dividend**: $1.48 (2022)

**Business Environment**

- **Regulatory Environment**: MN, ND, Avg.; SD, Above Avg.
- **Climate**: MN, ND, Avg.; SD, Above Avg.

**Key Statistics**

- **Assets**: $2.7 billion
- **Debt**: $1.7 billion (54.1% of assets)
- **Equity**: $1.0 billion
- **Short-Term Debt**: $252.5 million

**Corporate Strategy**

- The company is focusing on maintaining strong financial performance and increasing its dividend payments, with a current dividend yield of 3.3%

**Investment Consideration**

- **Risk Profile**: Moderate
- **Yield**: 3.3%
- **Growth Potential**: 7.0%

**Conclusion**

Otter Tail Corporation continues to benefit from its diverse customer base and strong regulatory environment, positioning it well for future growth and stability.

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**Editor's Note**

This report is based on the latest available financial data as of June 10, 2022. The author believes in the accuracy of the information provided but accepts no responsibility for any errors or omissions. The information is not intended to be used for marketing purposes.

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