2021 Q2 EARNINGS CONFERENCE CALL

August 3, 2021

OTTERTAIL CORPORATION

FORWARD-LOOKING STATEMENT

Except for historical information contained here, the statements in this presentation are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “outlook,” “plan,” “possible,” “potential,” “should,” “will,” “would” and similar words and expressions are intended to identify forward-looking statements and involve known and unknown risks and uncertainties that may cause our actual results in current or future periods to differ materially from the forecasted assumptions and expected results. Forward-looking statements made herein, which include statements regarding future earnings, earnings per share, dividend levels and shareholder returns, anticipated levels of energy generation from renewable resources, anticipated reductions in carbon dioxide emissions, future investments and capital expenditures, rate base levels and rate base growth, future raw material costs, future operating revenues and operating results, and expectations regarding the outcomes of regulatory proceedings, as well as other assumptions and statements involve known and unknown risks and uncertainties that may cause our actual results in current or future periods to differ materially from the forecasted assumptions and expected results. The Company’s risks and uncertainties include, among other things, uncertainty of the impact and duration of the COVID-19 pandemic, long-term investment risk, increased cost or delays in our rate base investments, the outcome of regulatory proceedings and approvals for cost recovery, seasonal weather patterns and extreme weather events, counterparty credit risk, future business volumes with key customers, reductions in our credit ratings, our ability to access capital markets on favorable terms, assumptions and costs relating to funding our employee benefit plans, our subsidiaries’ ability to make dividend payments, cyber security threats or data breaches, the impact of government legislation and regulation, including foreign trade policy and environmental laws and regulations, the impact of climate change, including compliance with legislative and regulatory changes to address climate change, operational and economic risks associated with our electric generating and manufacturing facilities, risks associated with energy markets, the availability and pricing of resource materials, attracting and maintaining a qualified and stable workforce, and changing macroeconomic and industry conditions. These and other risks are more fully described in our filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K, as updated in subsequently filed Quarterly Reports on Form 10-Q, as applicable. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any obligation to update any forward-looking information.

COMPANY OVERVIEW

OTTERTAIL CORPORATION

ELECTRIC PLATFORM

OTTERTAIL POWER COMPANY

MANUFACTURING PLATFORM

MANUFACTURING SEGMENT

BTD

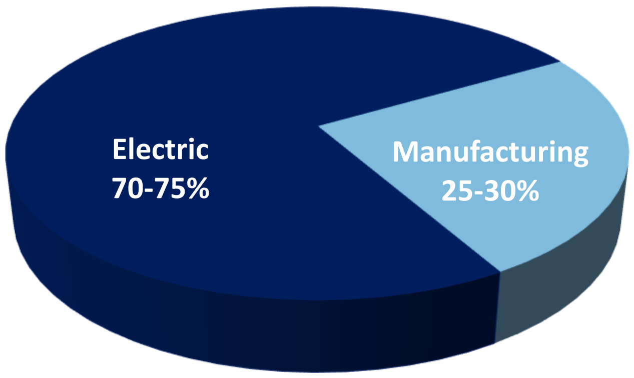
T.O. PLASTICS

PLASTICS SEGMENT

NPP

VINYLTECH VT PVC • PIPE

Target earnings contributions



Electric Platform

- Competitive low-cost operations
- Constructive regulatory environment
- Attractive rate base growth

Manufacturing Platform

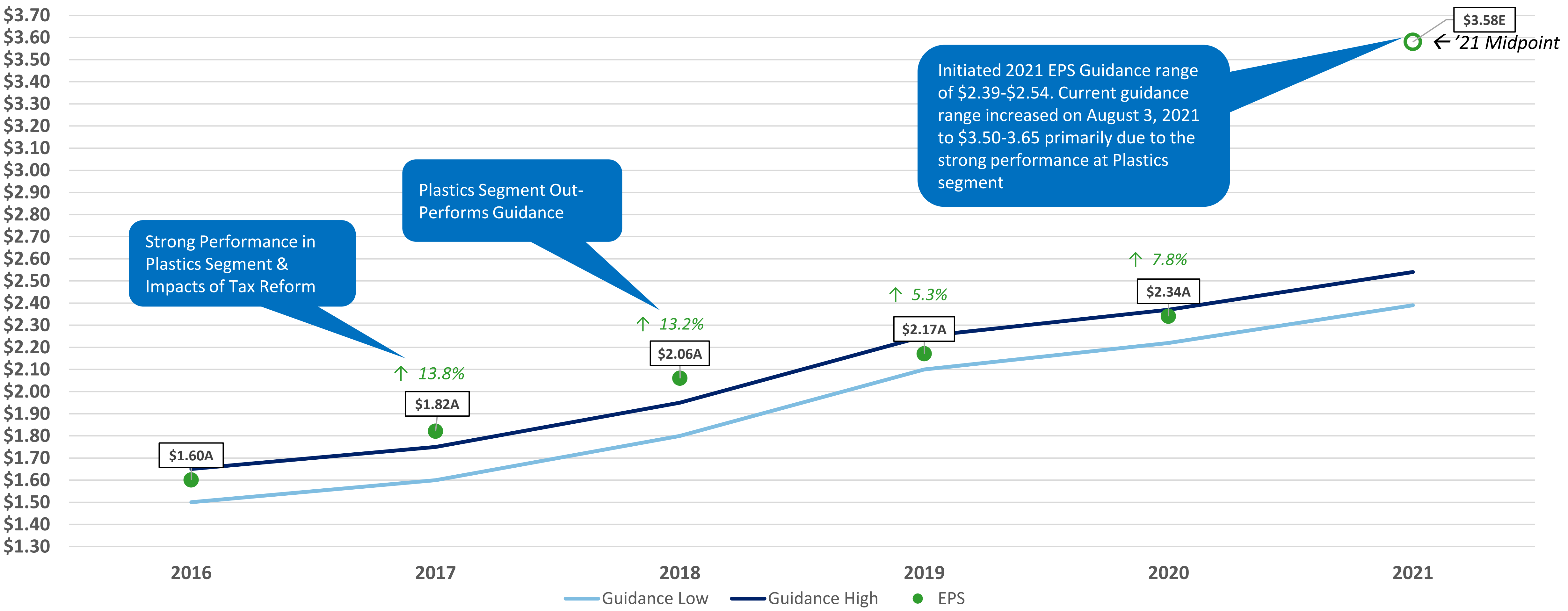
- Long-term growth potential
- Capacity utilization
- Diversification

Q2 2021 FINANCIAL SUMMARY AND HIGHLIGHTS

	Q2 2021	Q2 2020
Operating Revenues (in millions)	$285.6	$192.8
Net Income (in millions)	$42.1	$16.9
Diluted EPS	$1.01	$0.42

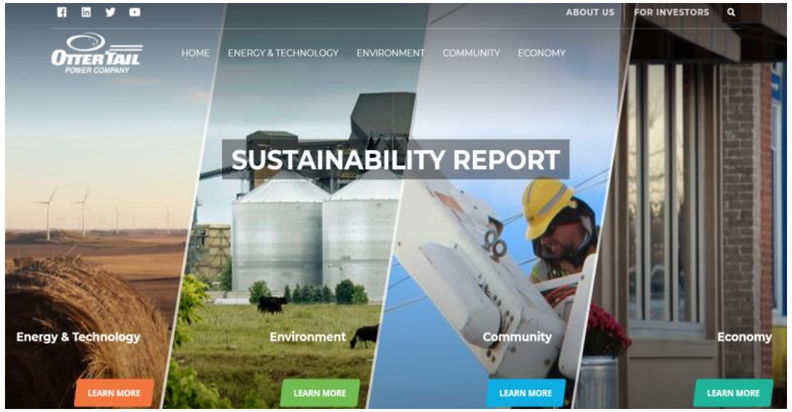
- Based on our strong YTD results and outlook for the remainder of the year, we are raising our 2021 diluted earnings per share guidance range to $3.50-$3.65 from $2.47-$2.62 per diluted share. Mid-point of new range $1.03 higher than mid-point of previous range.
- Electric Segment earnings increased $2.1 million primarily due increased retail revenues from commercial & industrial customers, commercial operation of Merricourt & Astoria Station being fully covered in rates and implementing approved interim rates in MN starting on January 1, 2021.
- Manufacturing Segment earnings increased $5.5 million due to increased sales across all end markets and increased scrap metal revenues.
- Plastics Segment earnings increased $17.4 million, driven by higher pipe prices and improved operating margins on higher volumes of pipe sold resulting from unique market conditions due to PVC resin supply constraints.
- Strong balance sheet, investment-grade senior unsecured credit ratings and supportive regulatory environment.

EPS COMPARED WITH ORIGINAL EPS GUIDANCE RANGES



ESG HIGHLIGHTS

Environmental	Social	Governance

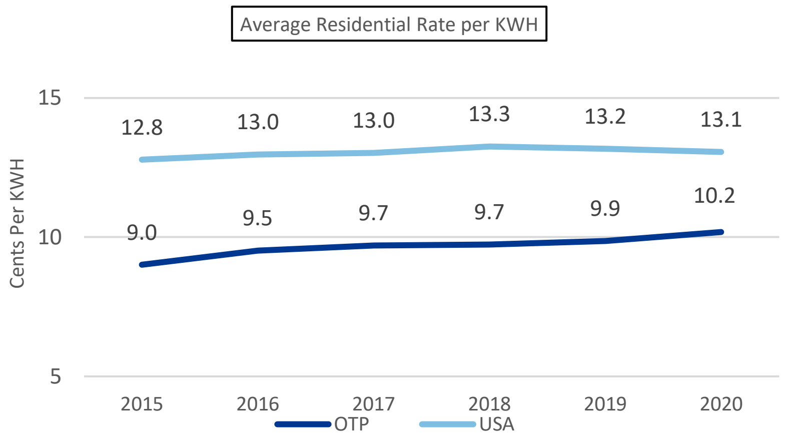


EEI Edison Electric INSTITUTE

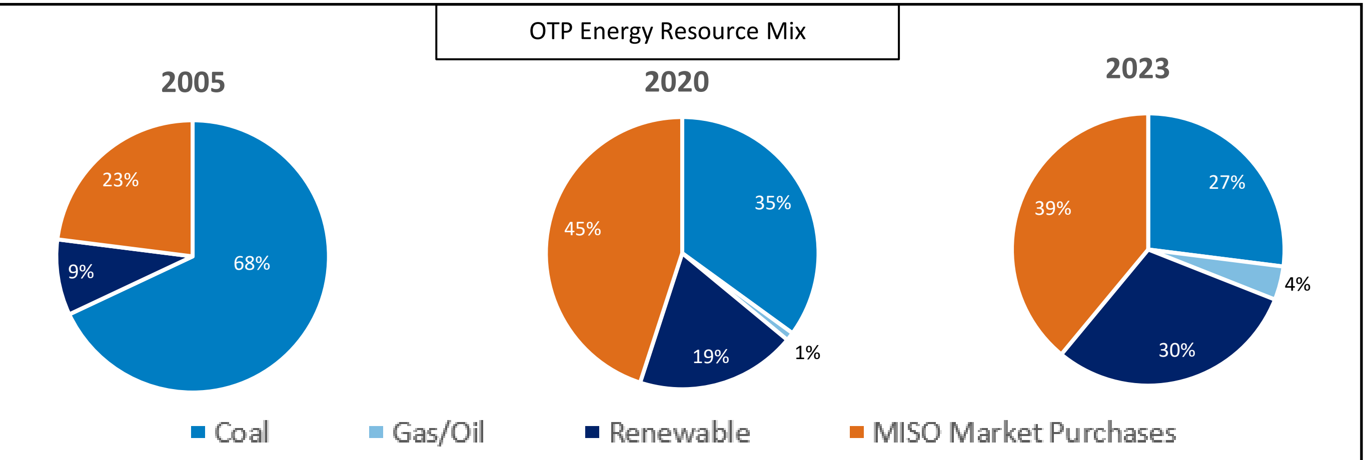
EEI Sustainability Templates

These documents provide details of Otter Tail Corporation's ESG practices.

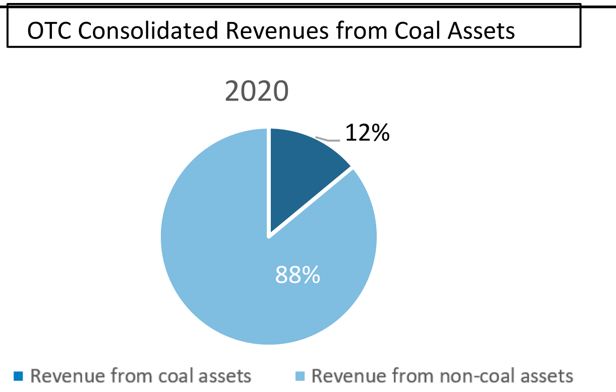
CLEANER ENERGY FUTURE



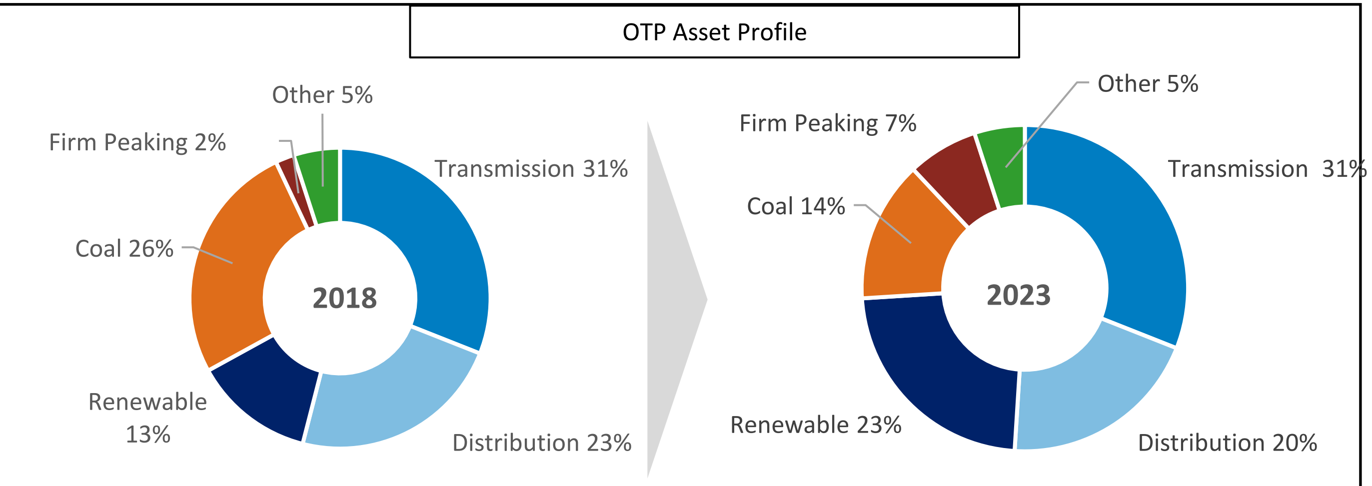
Source: Typical Bills and Average Rates Report, Edison Electric Institute.
The report surveys typical electric bills for investor-owned utility companies in the United States.



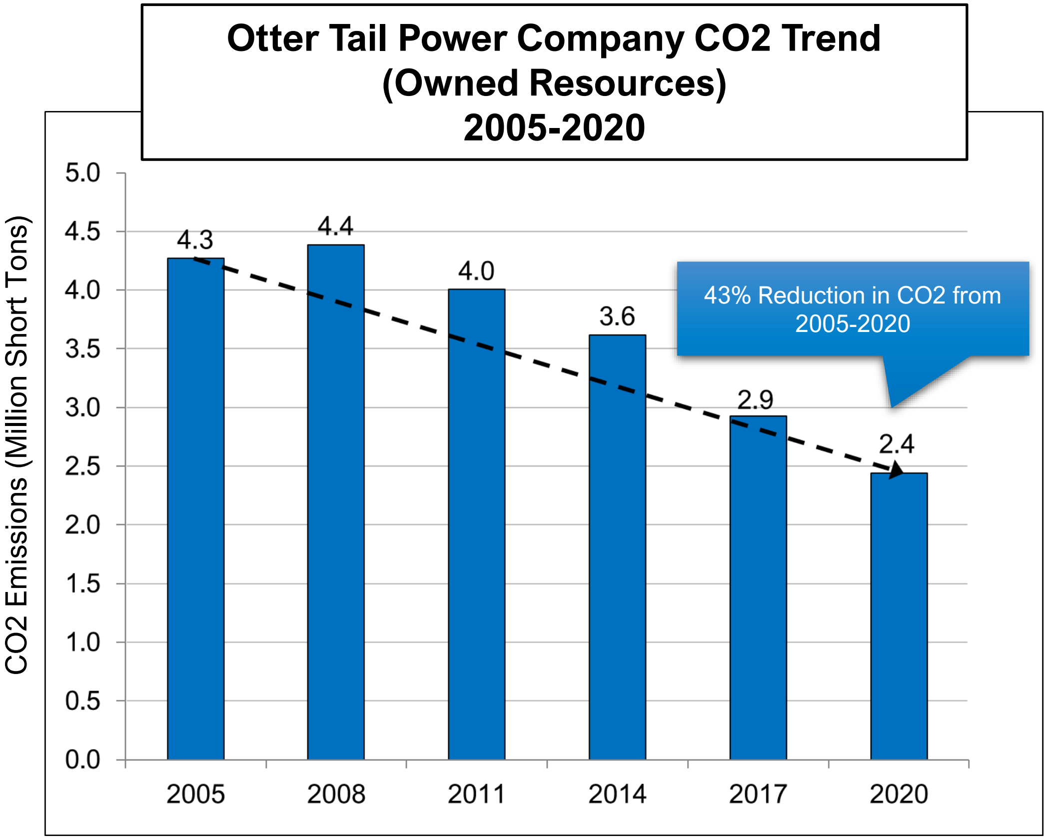
OTP has significantly diversified its fuel mix, is a national leader in renewables, and is implementing plans to further diversify with near-term wind, solar, and natural gas investments—while keeping its rates among the lowest in the nation.

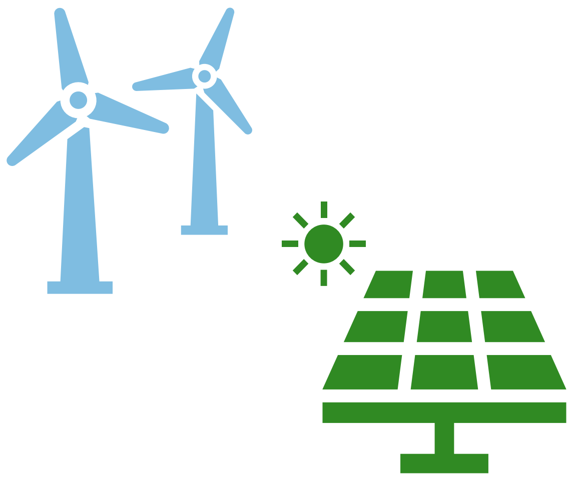


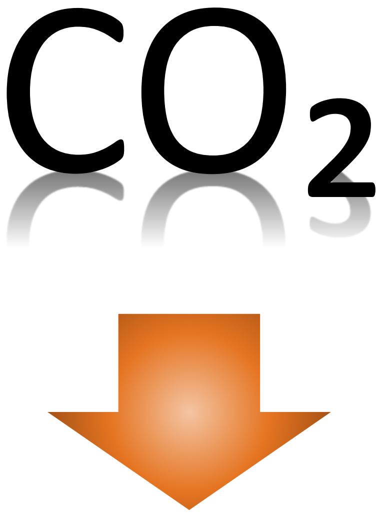
Footnotes:
1. Consolidated revenues include estimated returns on coal generation facility rate base investment, fuel expenses, O&M's, depreciation, property taxes, and coal conversion taxes.
2. By 2022, the Hoot Lake Plant retirement combined with the Merricourt Wind and Astoria Gas Plants result in a reduction in revenue and earnings from coal.



CLEANER ENERGY FUTURE







By 2023 our customers will receive approximately 35% of their energy from renewable resources.*

Carbon emissions from our owned generation resources are targeted to be 50% lower than 2005 levels by 2025 and 97% below 2005 levels by 2050.

*Includes the estimated renewable portion of MISO Market purchases

ELECTRIC PLATFORM

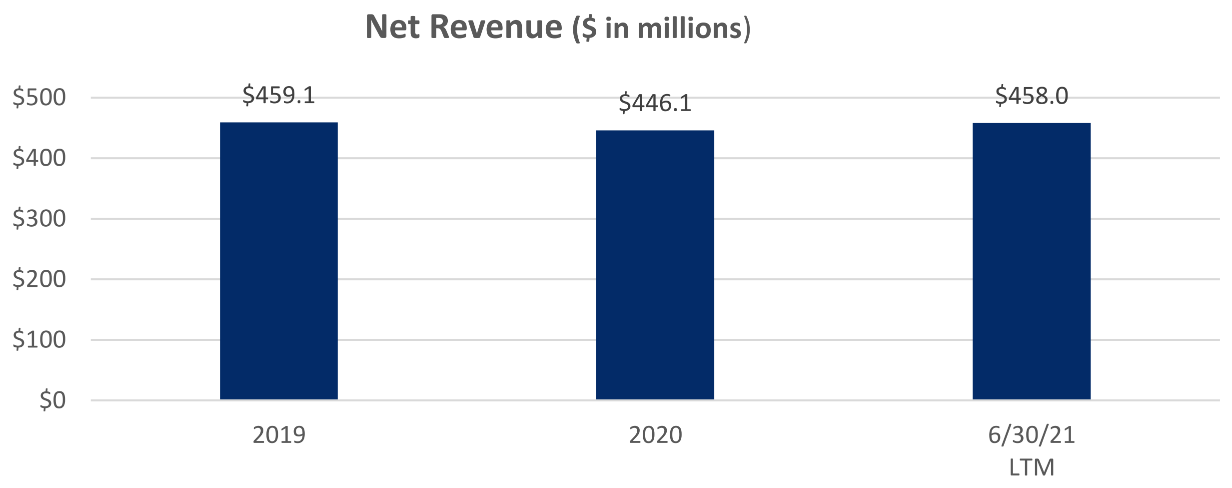
OTTER TAIL POWER COMPANY

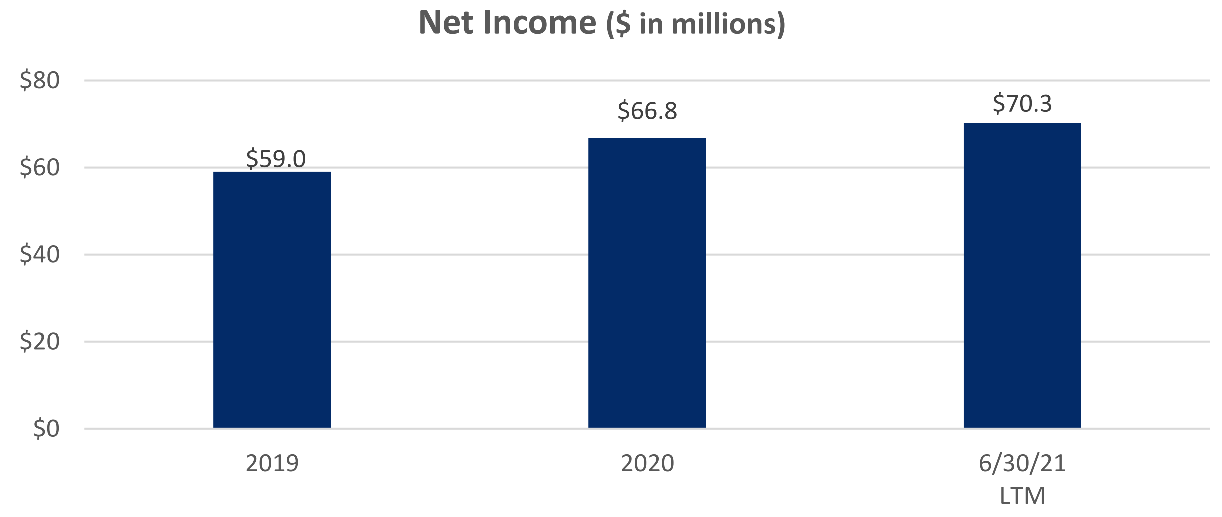
ELECTRIC OPERATIONS

OTTER TAIL POWER COMPANY

Highlights

- Rate base growth opportunities.
  - Renewable generation.
  - Technology & infrastructure.
  - Transmission assets.
- MN rate case in November 2020. Interim rates approved and effective January 1, 2021.
- Constructive regulatory environment.





HOOT LAKE PLANT | RETIRED MAY 27,2021

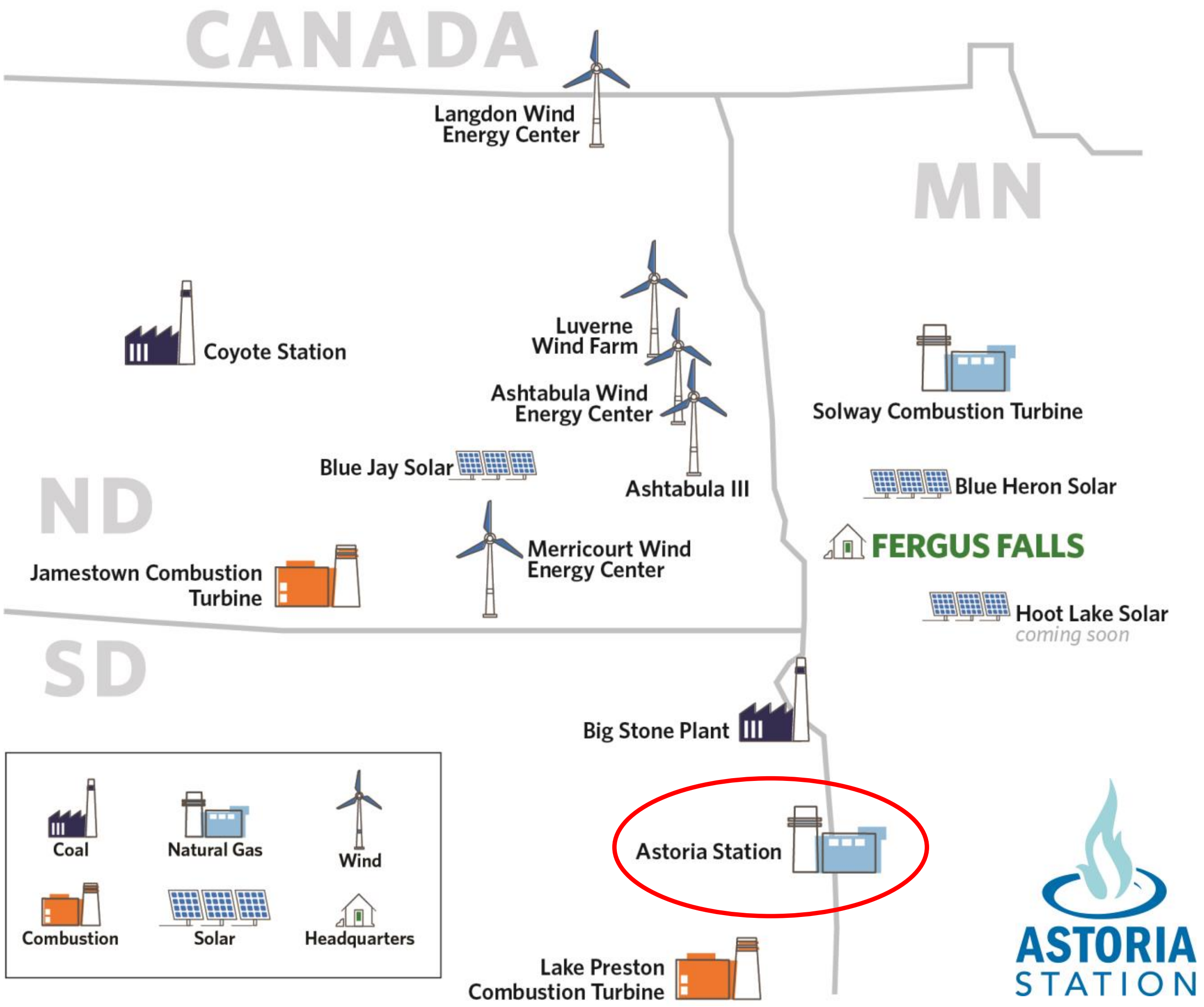
Highlights

- 140 MW Facility in Fergus Falls, MN
- Played vital role in our company's history of generating reliable and affordable energy

ASTORIA STATION NATURAL GAS PLANT | COMPLETE

Project	
Description	245-MW simple-cycle unit
Schedule	Committed in the MISO market on April 30, 2021
OTP Cost	$152.5 million

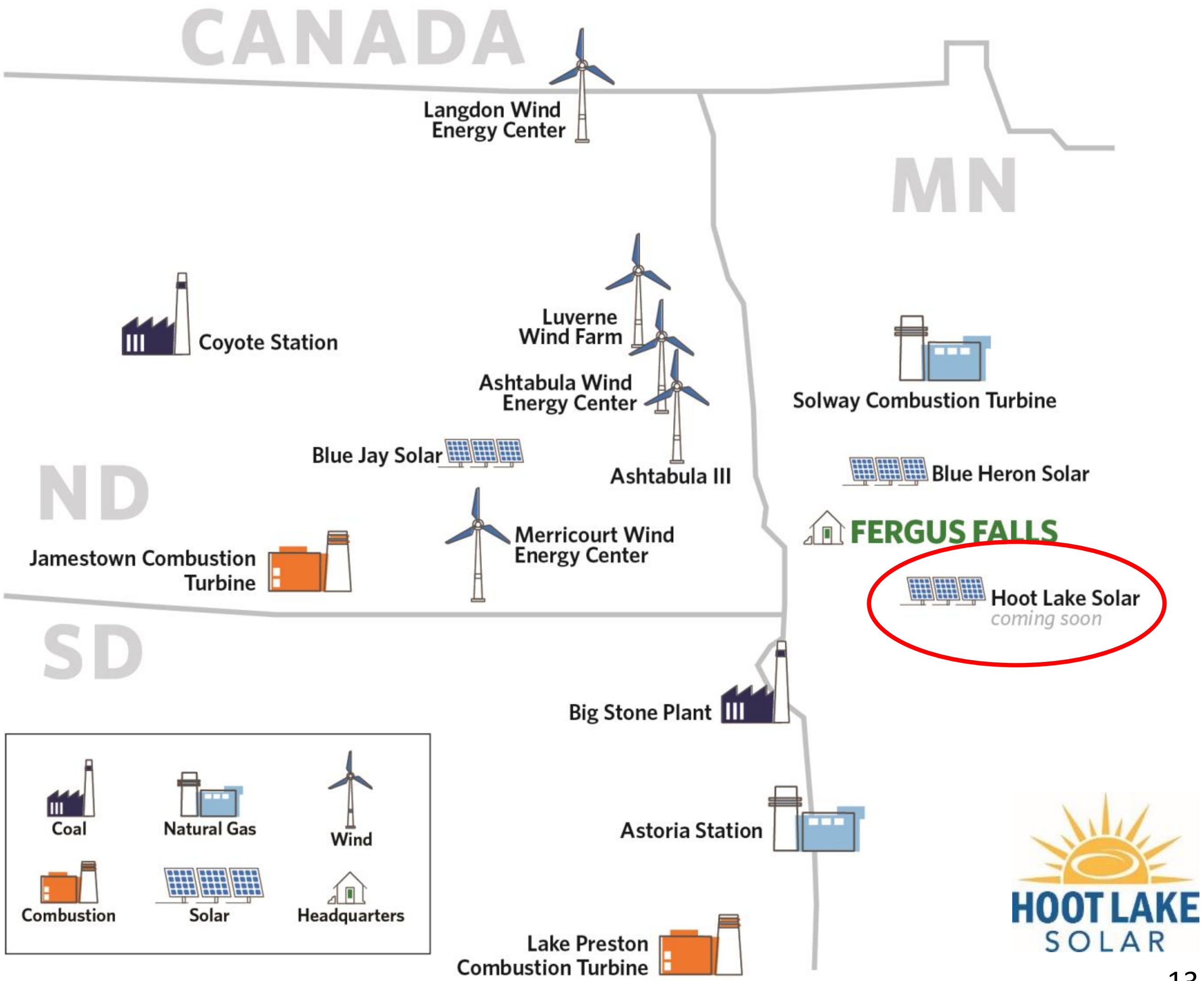
- MN PUC approved 2017 Resource Plan. Requesting recovery in the current MN rate case.
- ND PSC approved Advance Determination of Prudence and use of Generation Cost Recovery Rider.
- SD PUC issued site permit and approved Phase-In Rider eligibility.
- FERC approved Generator Interconnection Agreement.
- Astoria Station provides approximately 100 MW more dispatchable capacity compared to the retired Hoot Lake Plant's 140 MW—with projected 85% fewer carbon emissions from historic Hoot Lake Plant levels.



HOOT LAKE SOLAR

Project	
Description	49.9-MW self-build solar
Schedule	2020-2023
OTP Cost	$60 million

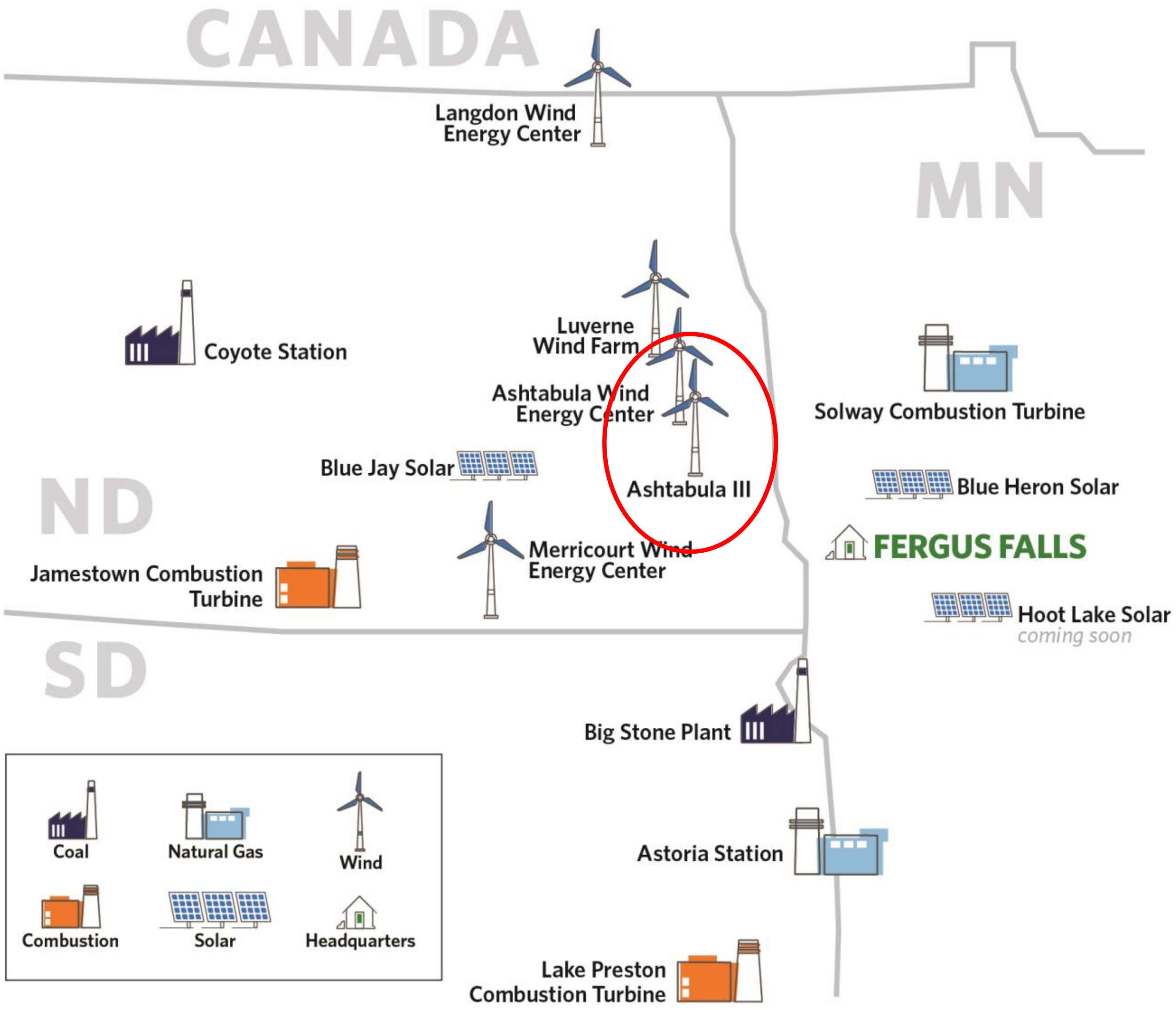
- Qualifies for investment tax credit of 26%. Safe-harbor equipment secured.
- Eligible to meet utility-scale portion of MN Solar Energy Standard (1.5% of retail sales).
- MPUC approved 100% of costs and benefits to be assigned through MN renewable rider.
- City of Fergus Falls approved environmental assessment worksheet and conditional use permit.
- Anticipate construction in 2023.
- Upon completion, more than 35% of Otter Tail Power Company's energy is projected to come from renewable resources, all while keeping average residential rates among the lowest in the nation.



ASHTABULA III PURCHASE

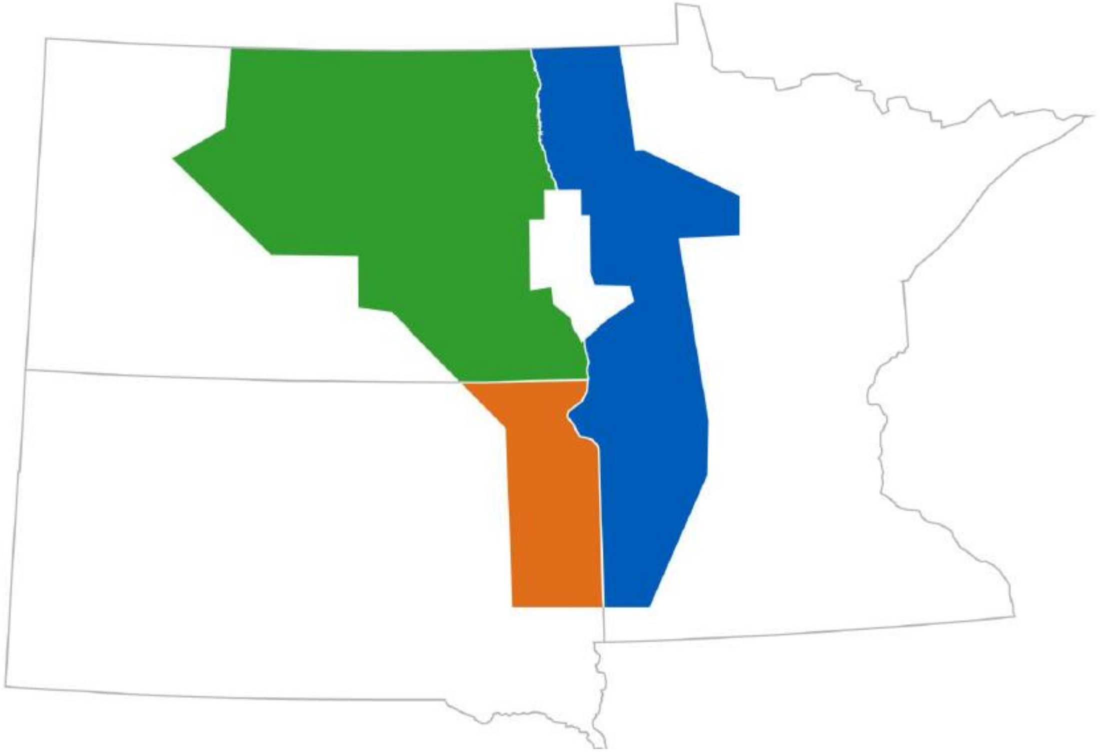
Project	
Description	62.4 MW
Schedule	Expected purchase early 2023

- Purchase Power Agreement (PPA) with NextEra Energy began in 2013.
- PPA included option to buy starting in 2022.
- Regulatory approvals expected in 2022.



MN INTEGRATED RESOURCE PLAN

- Filing September 2021.
- Filed last plan in June 2016 (MPUC approved April 2017).
- Required in Minnesota and North Dakota due to new legislation, though Otter Tail Power Company develops strategy for integrated system and will also file plan with the South Dakota regulatory commission.
- Will include additional insight on Regional Haze compliance.



MINNESOTA RATE CASE

Filed November 2, 2020.

Driving factors
Cleaner energy
Smarter technologies
Rising costs

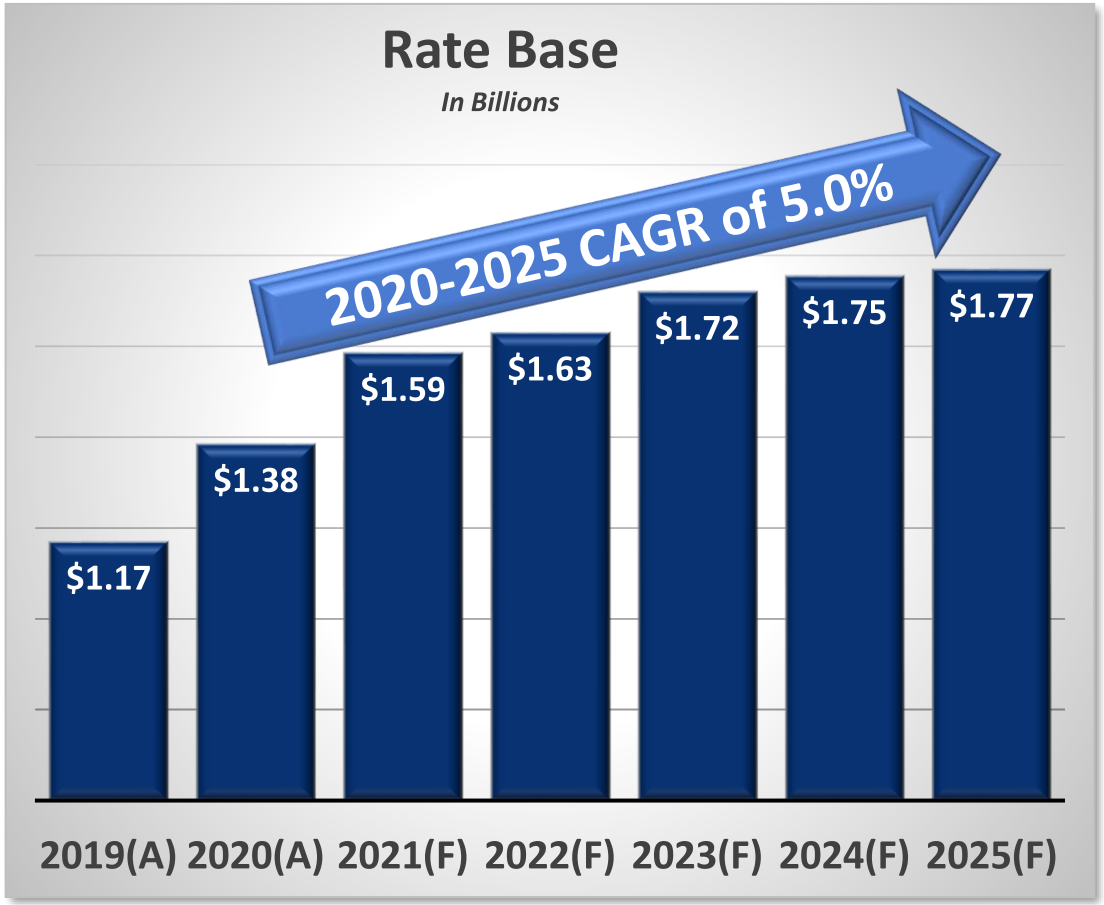
- Previous Minnesota rate case filed in 2016.
- Request driven by new Astoria Station (MN IRP approved) and CIS system. Total initial request of $14.5 million, a 6.8% increase.
- Incorporating approved lower depreciation rates and pension expense, amended rate case request on April 30, 2021, to net increase of $8.2 million or 3.83% in rebuttal testimony.
- Requested 10.2% ROE on a 52.5% equity layer.
- Requested approval to implement decoupling on customer bills to stabilize revenue apart from energy sales. If approved, this will go into effect with final rates.
- In December 2020, the MPUC approved amended interim rate request of $6.9 million or 3.2%, which we began recovering in January 2021.
- Final determination expected in Q4 2021.

2021 KEY REGULATORY MATTERS

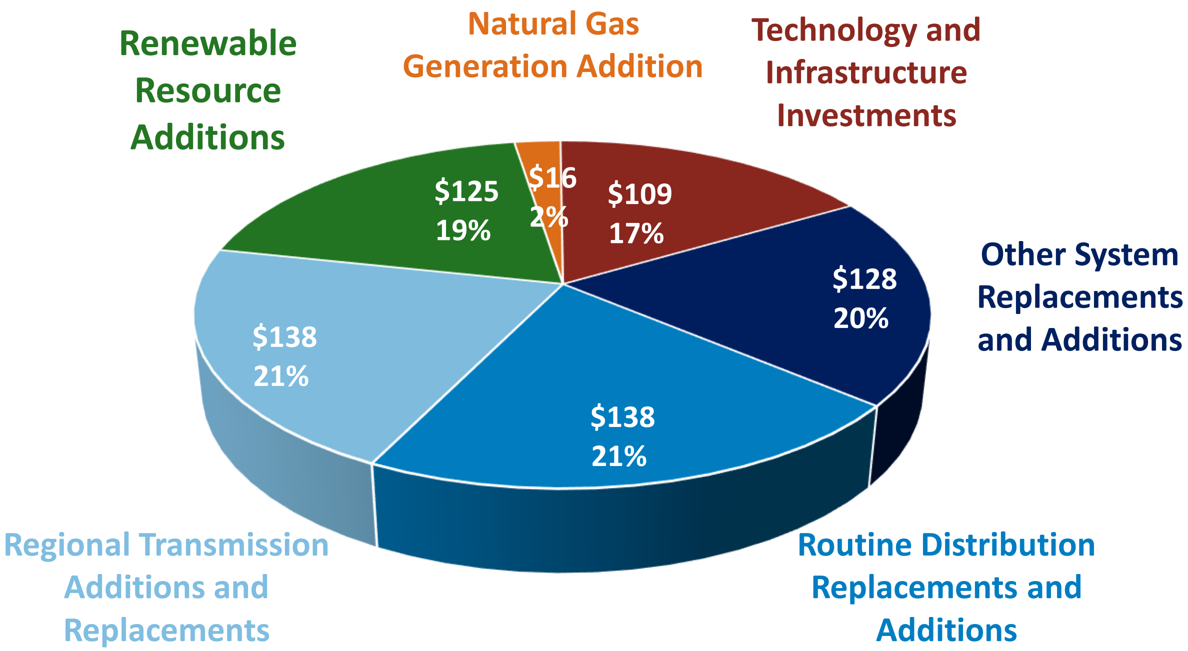
	Regulatory Matters	MN	ND	SD	Estimated Dates
✓	North Dakota Advance Determination of Prudence for AMI Filing		X		February 15, 2021
✓	Minnesota Hoot Lake Solar Filing Rate Review Evidentiary Hearing & Order	X			March 25, 2021
✓	Minnesota Depreciation Order	X			April 21, 2021
✓	Minnesota Rate Review Evidentiary Hearing	X			July 9-10, 2021
	Minnesota Integrated Resource Plan Filing	X			Q3 2021
	Minnesota Rate Review PUC Hearing & Final Order	X			Q4 2021
	Annual Updates to Capital Recovery Riders	X	X	X	2021

✓ Completed

RATE BASE GROWTH



Capital spending of $653 million from 2021 to 2025



Recovery Mechanism	Amount (in Millions)	Percentage
Depreciation (Rate Base Replacement)	$376	57%
Riders	227	35%
Rate Case	50	8%
Total	**$653**	**100%**

REGULATORY FRAMEWORK

	Minnesota	North Dakota	South Dakota
Renewable Riders	Rider recovery / Rate case	Rider recovery / Rate case	Phase-In Rider / Rate case
Transmission Riders	Rider recovery / Rate case	Rider recovery / Rate case	Rider recovery / Rate case
Non-renewable Generation	Rate case	In State Preference/ADP/ Rate Case (Astoria Station rider eligible)	Phase-In Rider / Rate case
Environmental Riders	MN plants and outstate plants with ADP: Rider recovery/rate case	Rider recovery / Rate case	Rider recovery / Rate case
Fuel Clause	Trued up annually	Trued up monthly	Trued up monthly
Rate Cases	Forward-looking test year	Forward-looking test year	Historical test year with known-and-measurable adjustments
Decoupling	No (Filed for in MN rate case)	No	No
Weather Normalization	No	No	No
Bad Debt Trackers	No	No	No
Allowed ROE	9.41%	9.77%	8.75%

A constructive regulatory environment provides for timely recovery of capital and a fair economic return.

We recover approximately 35% of our five-year capital expenditures through riders. (including phase-in mechanisms and direct billing generators).

RATE BASE PROJECTS

Project	Our Investment (Millions)	In Service	Percent Complete	Recovery Mechanisms
Merricourt Wind Energy Center	$260	2020	100%	Rider/General Rate Case
Astoria Station 245-MW natural gas simple-cycle combustion turbine	$152.5	2021	99%	Rider/General Rate Case - ND & SD General Rate Case - MN
SD transmission reliability project	$35	Phase I 2019 Phase II 2021	100% 85%	Rider/General Rate Case
Self-fund transmission	~$50	2019-2021	100%	FERC approved Facility Service Agreement
Hoot Lake Solar	$60	2022-2023	9%	Rider/General Rate Case – MN
Advanced Metering Infrastructure and Grid Modernization (Innovation 2030)	$145	2019-2024	~10%	Rider/General Rate Case
Ashtabula III: option to buy 62.4 MW wind farm	$50	Early 2023	~5%	Rider/General Rate Case

MANUFACTURING PLATFORM

MANUFACTURING

BTD

- Contract metal fabrication – stamping, machining, tube bending, tool & die making, welding, painting, assembly. (One stop shop for customer needs)
- Growth opportunities with existing customer base and expansion with new customers.
- Ability to pass through commodity exposure to customers

T.O. PLASTICS

- Manufacturer of plastic thermoformed horticultural containers, contract life science, industrial packaging and material handling components.

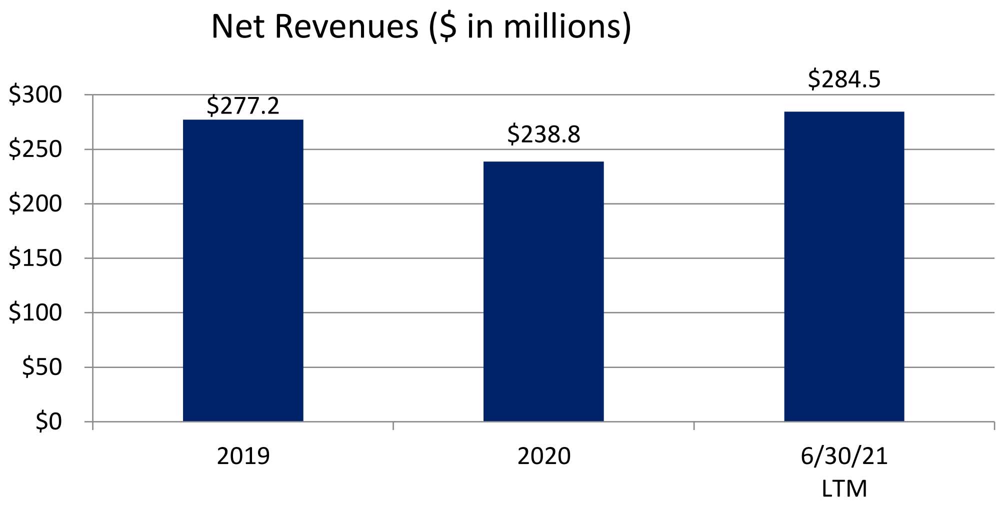
Highlights

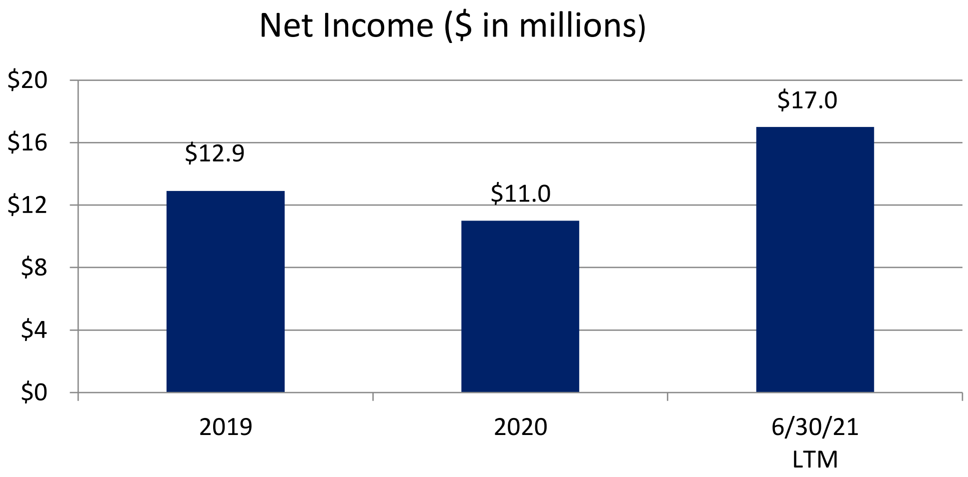
2020

- In Q2, COVID-19 related issues at BTD negatively impacts EPS by an estimated $.09 as many customers initiated temporary plant shut-downs which resulted in lower sales, lost labor productivity, and increased costs related to Covid protocols.
- In Q3 & Q4, BTD started to experience a recovery in sales driven by strong recreational vehicle, agricultural, and lawn & garden end market sales.

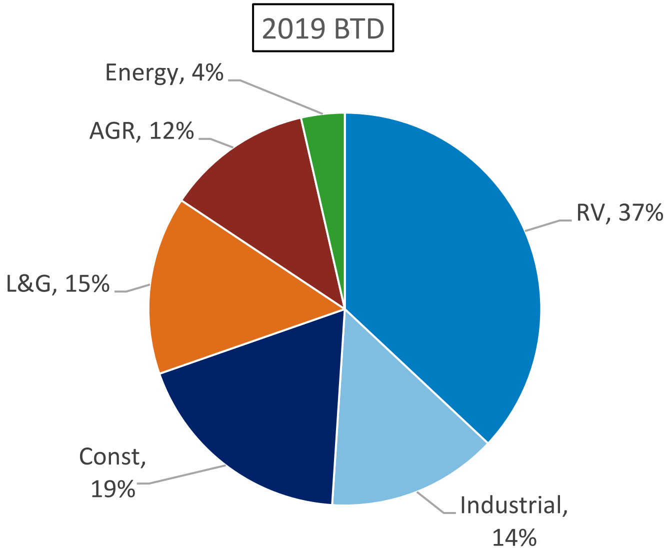
2021

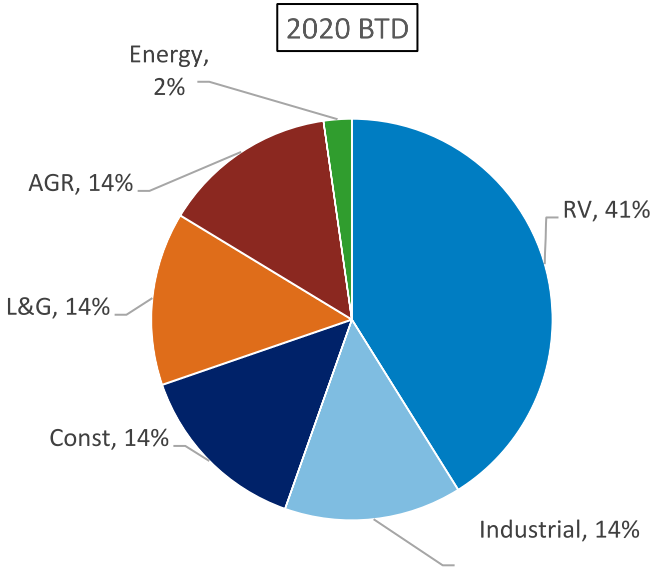
- Decreased steel mill capacity due to COVID has dramatically increased steel prices and created product availability issues.
- Continue to work on increasing staffing levels to keep with demand.
- Increasing expedited freight costs.
- Improving end markets and scrap metal revenues.

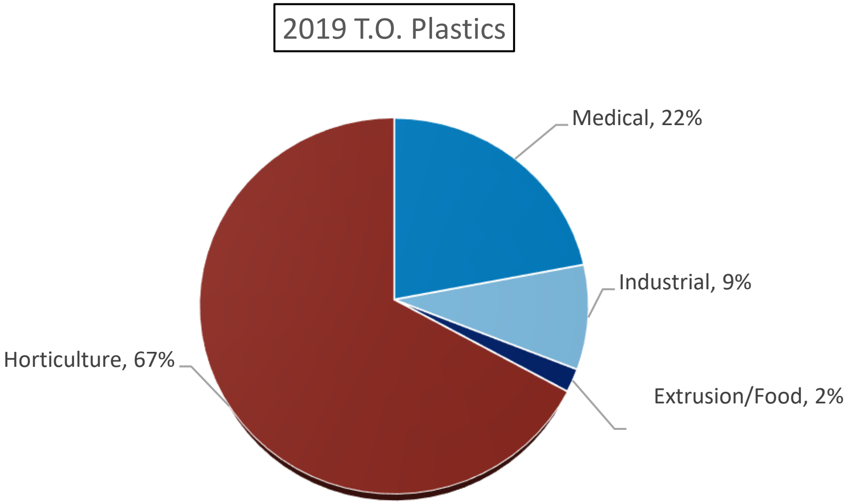


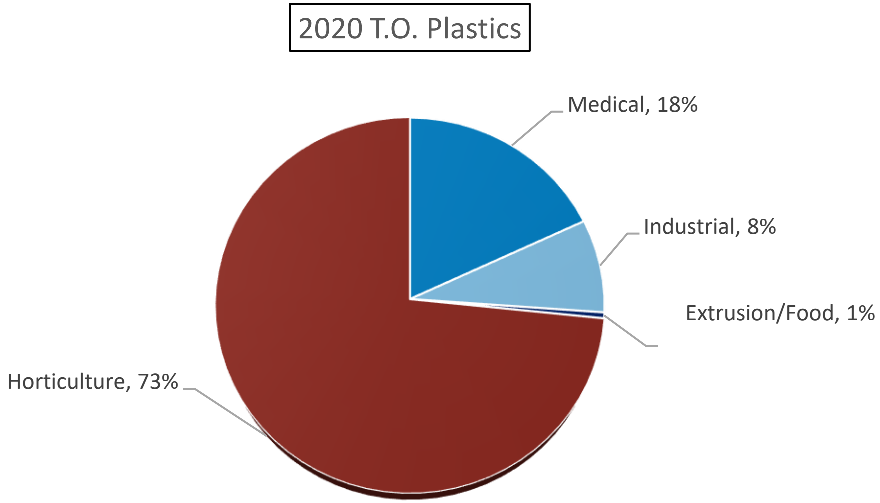


MANUFACTURING SALES BY END MARKETS









PLASTICS

- Manufactures and sells PVC (polyvinyl chloride) pipe to distributors. Pipe is used in municipal water, rural water, wastewater, and storm drainage systems.
- Plants located Fargo ND & Phoenix AZ.
- Approximate production capacity of 300 mm lbs. of PVC (~ 2.5% of total market).

Highlights

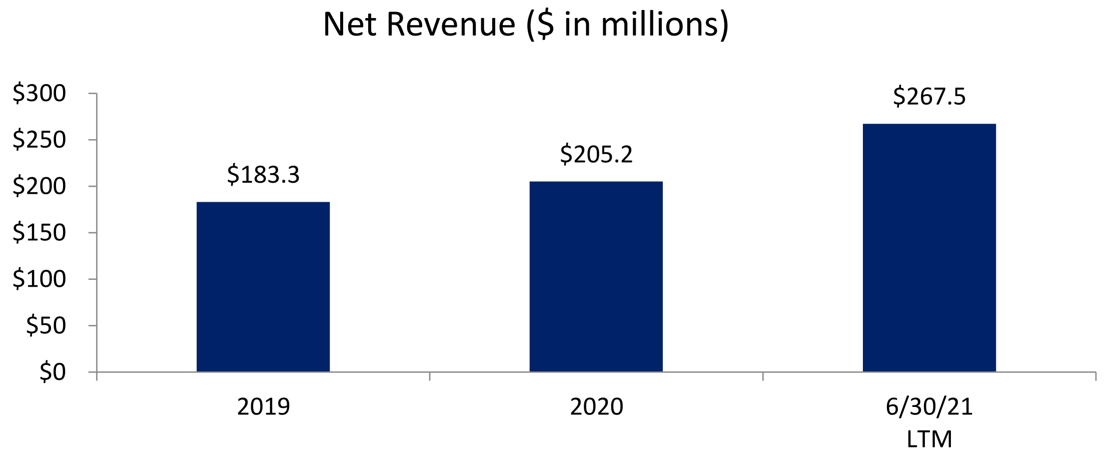
- Managing business well in diverse business cycles.
- Operational excellence.
- Excellent customer service provides competitive advantage.

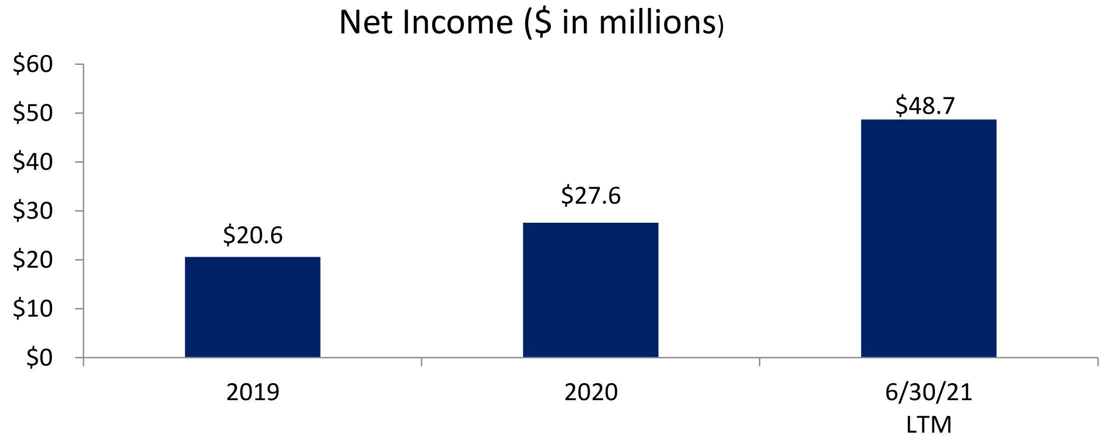
<u>2020</u>

- Limited impacts from COVID-19 on sales.
- Strong residential housing market coupled with favorable market conditions drives record earnings in 2020.

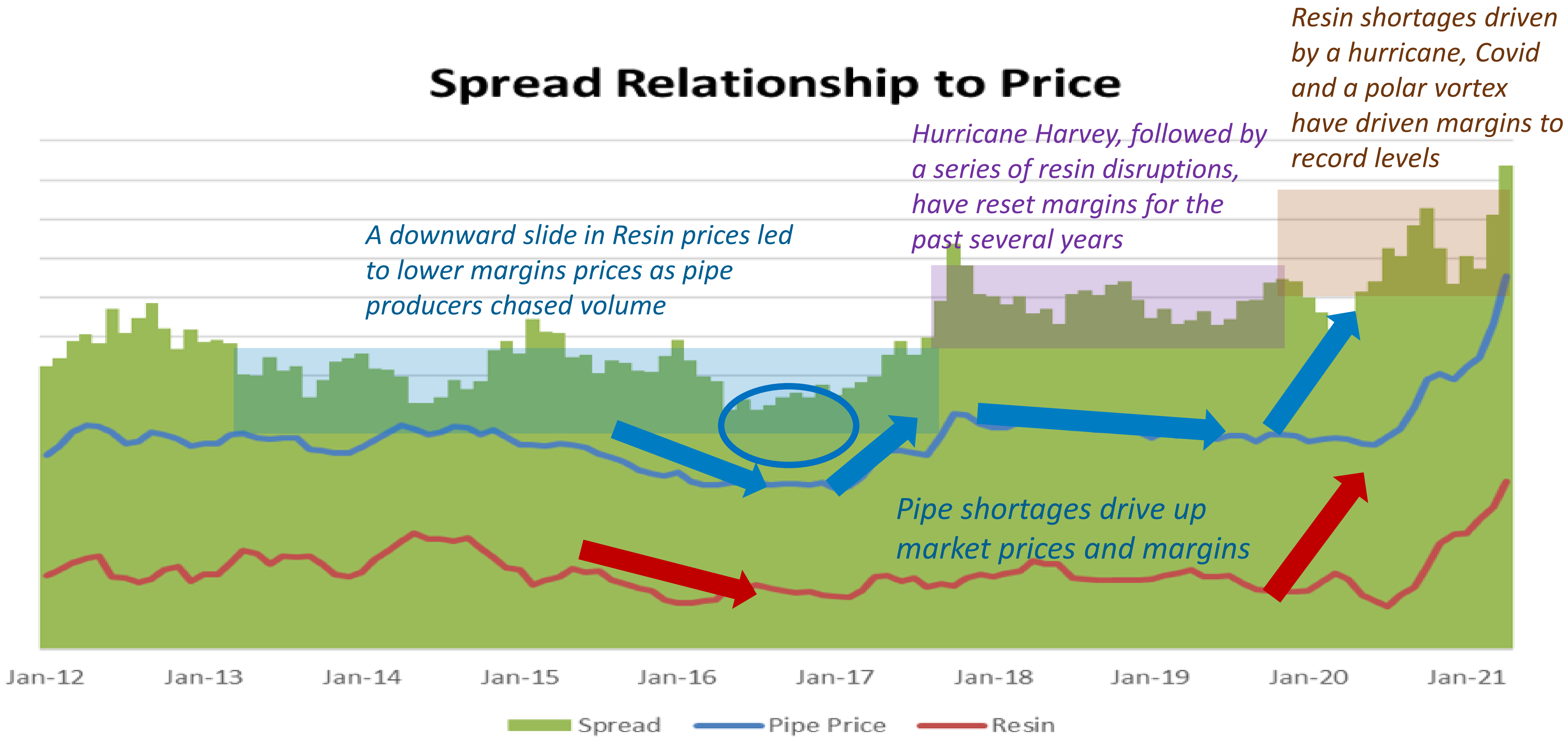
<u>2021</u>

- Supplier PVC resin plants shut down in Q1 due to February 2021 winter storms. This resulted in PVC supply constraints continuing through Q2 2021.
- Unique market conditions resulted in significant increases in PVC pipe prices and operating margins at levels not previously experienced in the industry.





HISTORICAL RESIN, PIPE PRICE AND SPREADS



FINANCIAL UPDATE

Q2 EPS 2020 VS. Q2 EPS 2021

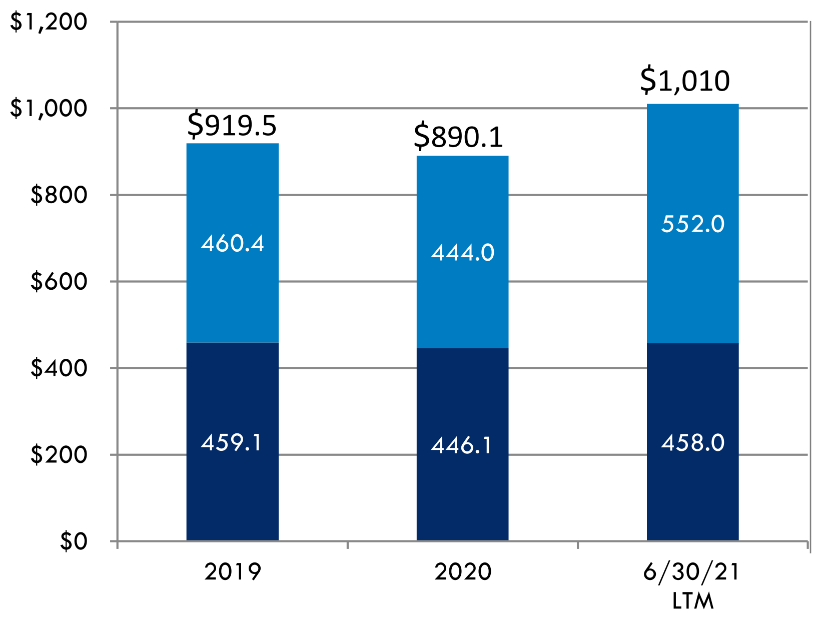
		Q2 Diluted EPS: 2020 vs. 2021				
		Electric	Manufacturing	Plastics	Corporate	Consolidated
	Q2 2020 Diluted Earnings per Share	$ 0.33	$ 0.01	$ 0.12	$ (0.04)	$ 0.42
Electric	Increase in retail revenue from interim rate increase, net of PTC credits	0.03				0.03
	Increase in retail revenue from commercial & industrial customers	0.03				0.03
	Recovery of Merricourt and Astoria Station operating costs, net of PTC credits	0.03				0.03
	Incrase in transmission services revenue	0.04				0.04
	Increase in O&M expense	(0.07)				(0.07)
	Increase in depreciation and amortization expense	(0.04)				(0.04)
	Increase in interest expense	(0.02)				(0.02)
	Decrease in earned equity AFUDC	(0.02)				(0.02)
	Decrease in effective tax rate due to PTCs generated in 2021	0.07				0.07
Manufacturing	Increase in sales volume		0.09			0.09
	Increase in scrap revenue		0.04			0.04
	Increase in gross profit margin from increased production volumes		0.08			0.08
	Increase in O&M expense		(0.08)			(0.08)
Plastics	Increase in sales volume			0.03		0.03
	Increase in gross profit margin resulting from unique supply and demand dynamics			0.42		0.42
	Increase in O&M expense			(0.02)		(0.02)
Corporate	Increase in O&M expense and lower other income				(0.01)	(0.01)
	Increase in tax benefit				0.01	0.01
Dilution	Dilutive effect of increase in outstanding shares	(0.01)	-	(0.01)	-	(0.02)
	Q2 2021 Diluted Earnings per Share	$ 0.37	$ 0.14	$ 0.54	$ (0.04)	$ 1.01

YTD EPS 2020 VS. YTD EPS 2021

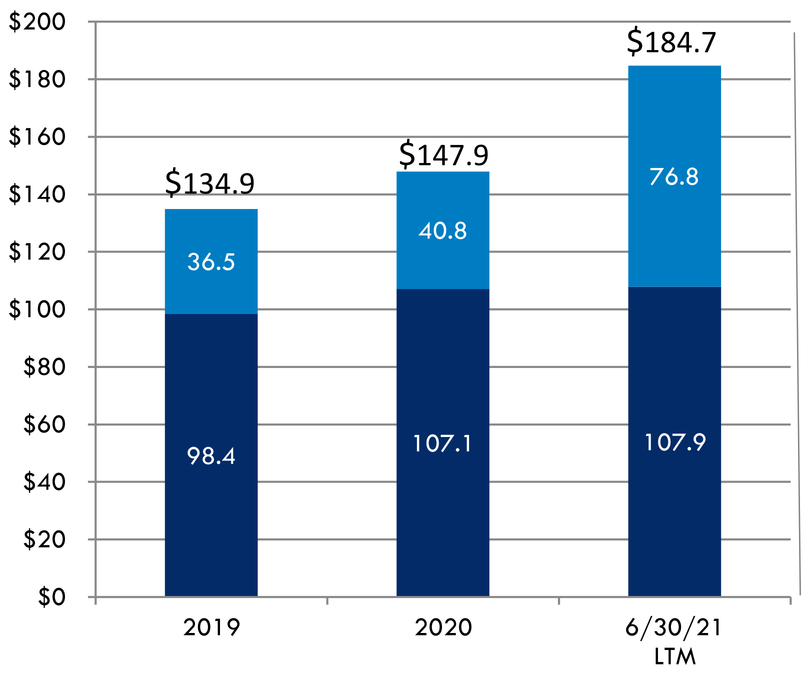
		YTD Diluted EPS: June 2020 vs. June 2021				
		Electric	Manufacturing	Plastics	Corporate	Consolidated
	YTD June 2020 Diluted Earnings per Share	$ 0.73	$ 0.13	$ 0.26	$ (0.10)	$ 1.02
Electric	Increase in retail revenue from interim rate increase, net of PTC credits	0.06				0.06
	Decrease in retail revenue, including weather impact	(0.04)				(0.04)
	Recovery of Merricourt and Astoria Station operating costs, net of PTC credits	0.05				0.05
	Increase in recovery of conservation improvement program expenditures	0.03				0.03
	Incrase in transmission services revenue	0.06				0.06
	Increase in O&M expense	(0.07)				(0.07)
	Increase in depreciation and amortization expense	(0.07)				(0.07)
	Increase in interest expense	(0.03)				(0.03)
	Decrease in earned equity AFUDC	(0.04)				(0.04)
	Decrease in effective tax rate due to PTCs generated in 2021	0.13				0.13
Manufacturing	Increase in sales volume		0.10			0.10
	Increase in scrap revenue		0.07			0.07
	Increase in gross profit margin from increased production volumes		0.07			0.07
	Increase in O&M expense		(0.10)			(0.10)
Plastics	Increase in sales volume			0.03		0.03
	Increase in gross profit margin resulting from unique supply and demand dynamics			0.51		0.51
	Increase in O&M expense			(0.02)		(0.02)
Corporate	Increase in O&M expense and interest charges				(0.01)	(0.01)
	Increase in COLI policies and other investments				0.03	0.03
Dilution	Dilutive effect of increase in outstanding shares	(0.02)	(0.01)	(0.02)	-	(0.05)
	YTD June 2021 Diluted Earnings per Share	$ 0.79	$ 0.26	$ 0.76	$ (0.08)	$ 1.73

FINANCIAL OVERVIEW ($ IN MILLIONS)

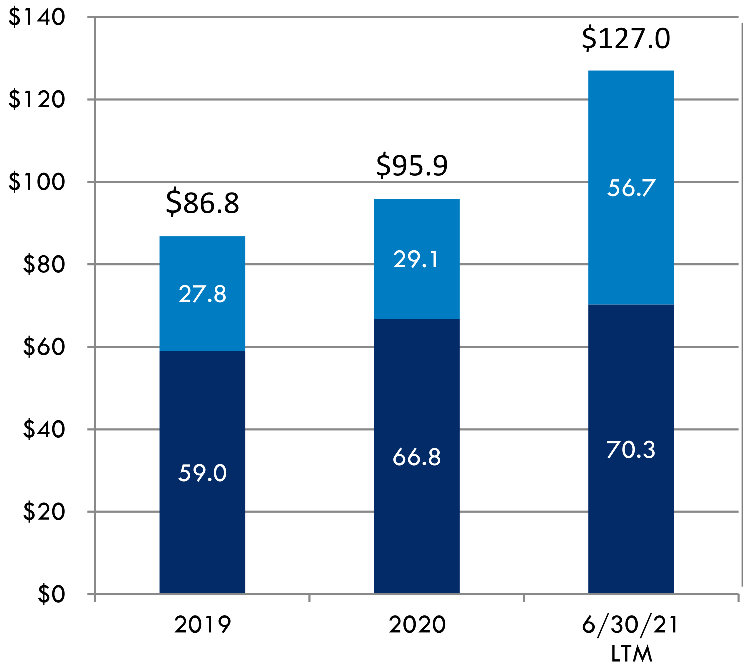
Revenue Sources



Operating Income



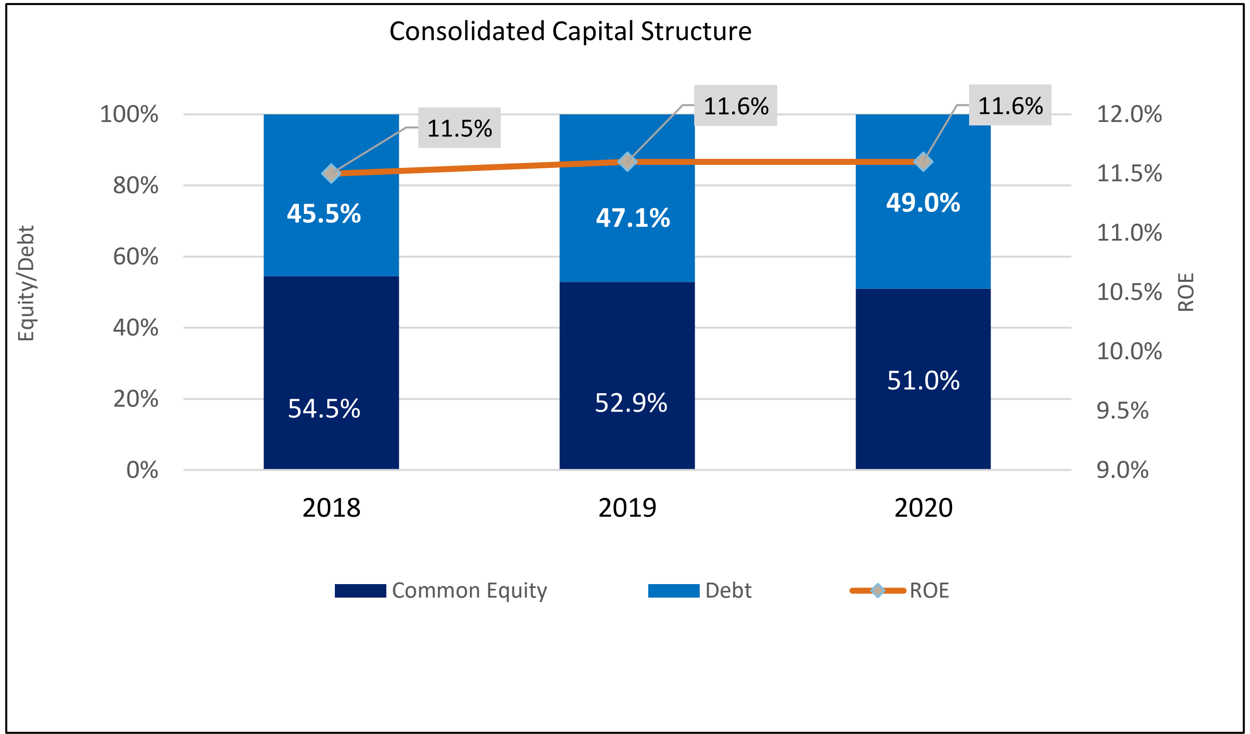
Net Income



Electric Platform Manufacturing Platform (including unallocated corporate costs)

LIQUIDITY, CAP STRUCTURE & CREDIT RATINGS

	OTP	OTC
Line of Credit Facilities	$ 170,000,000	$ 170,000,000
Outstanding		
Borrowings	68,711,606	59,245,383
Letters of Credit	12,671,089	-
Unused Amount at 6/30/2021	$ 88,617,305	$ 110,754,617
Unused Amount at 12/31/20	$ 140,068,090	$ 104,833,946
Expiration Date	**October 31, 2024**	**October 31, 2024**



Otter Tail Corporation	Moody's	Fitch	S&P
Corporate Credit/Long-term Issuer Default Rating	Baa2	BBB-	BBB
Senior Unsecured Debt	N.A.	BBB-	N.A.
Outlook	Stable	Stable	Negative

Otter Tail Power Company	Moody's	Fitch	S&P
Corporate Credit/Long-term Issuer Default Rating	A3	BBB	BBB+
Senior Unsecured Debt	N.A.	BBB+	BBB+
Outlook	Stable	Stable	Stable

2021 EARNINGS GUIDANCE

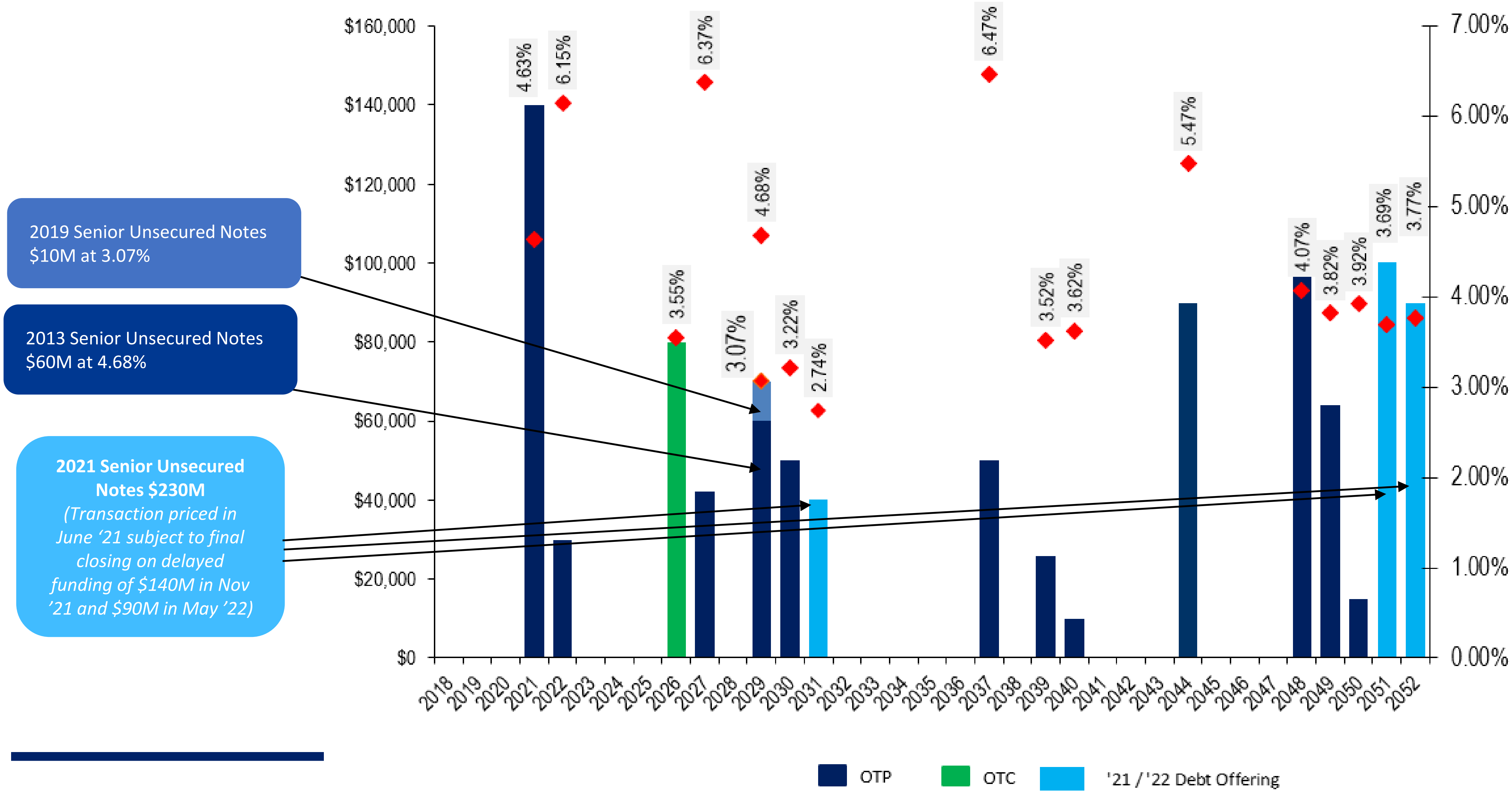
	2020 EPS by Segment	2021 EPS February 15, 2021 Low	2021 EPS February 15, 2021 High	2021 EPS May 3, 2021 Low	2021 EPS May 3, 2021 High	2021 EPS August 2, 2021 Low	2021 EPS August 2, 2021 High
Electric	$ 1.63	$ 1.80	$ 1.83	$ 1.71	$ 1.74	$ 1.71	$ 1.74
Manufacturing	0.27	0.28	0.32	0.28	0.32	0.43	0.47
Plastics	0.67	0.52	0.56	0.73	0.77	1.64	1.68
Corporate	(0.23)	(0.21)	(0.17)	(0.25)	(0.21)	(0.28)	(0.24)
Total	$2.34	$2.39	$2.54	$2.47	$2.62	$3.50	$3.65
Return on Equity	11.6%	11.1%	11.8%	11.5%	12.2%	16.3%	17.0%

2021-2025 FINANCING PLANS

Long-Term Debt	Long-Term Financing 2020 (Actual)	Long-Term Financing 2021-2025 (Planned)
LT Debt Retirements (OTP)	--	$170M
LT Debt Issuances (OTP)	$75M	$230M
OTC (Parent) Issuances/Retirements	--	--
New Equity Issuances	~$50M	--

$230M LT Debt transaction completed June 2021. Delayed Draws of $140M in November 2021 and $90M in May 2022

BOND MATURITY SCHEDULE



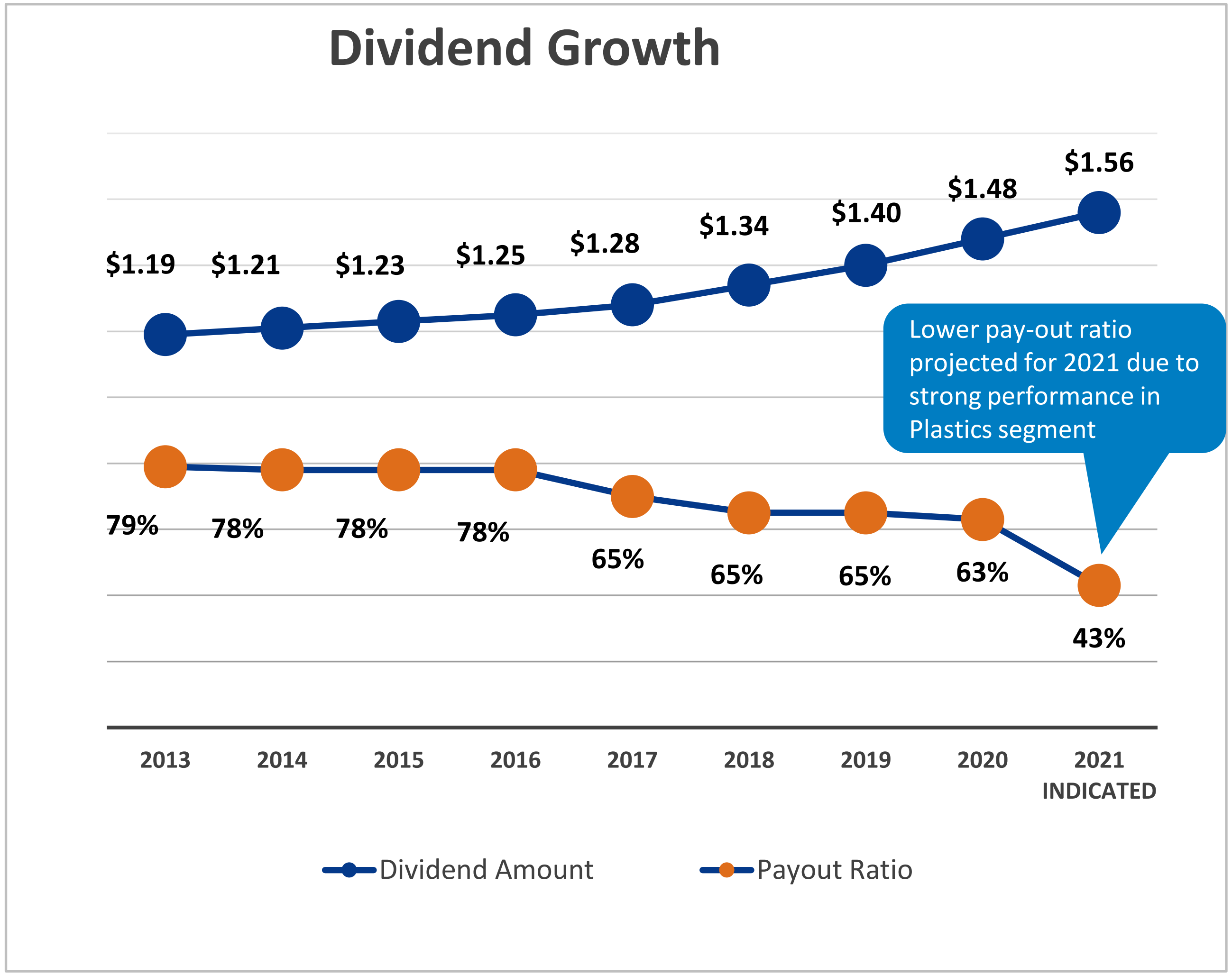
CAPITAL EXPENDITURES

(in millions)	2020	2021	2022	2023	2024	2025	Total
Electric Segment:							
Renewables and Natural Gas Generation		$ 31	$ 104	$ 3	$ 1	$ 1	$ 140
Technology and Infrastructure		6	25	32	28	18	109
Distribution Plant Replacements		24	27	30	30	27	138
Transmission (*includes replacements*)		23	25	31	30	29	138
Other		29	30	25	23	21	128
Total Electric Segment	$ 357	$ 113	$ 211	$ 121	$ 112	$ 96	653
Manufacturing and Plastics Segments	15	20	20	36	15	18	109
Total Capital Expenditures	**$ 372**	**$ 133**	**$ 231**	**$ 157**	**$ 127**	**$ 114**	**$ 762**
Total Electric Utility Average Rate Base	**$ 1,385**	**$ 1,585**	**$ 1,630**	**$ 1,720**	**$ 1,754**	**$ 1,769**	
Rate Base Growth		14.4 %	2.8 %	5.5 %	2.0 %	0.9 %	

Utility spend represents over 85% of Total Cap. Ex.

HISTORY OF DIVIDEND GROWTH

- Consecutive annual dividends without interruption paid since 1938.
- Indicated 5.4 % increase of $.08/share.
- Strong balance sheet, liquidity, cash generation profile, and commitment to enhancing shareholder returns.



OTTR INVESTMENT THEME

Total Shareholder Return	8%-10%*
Long-term EPS Growth Rate	5-7% **
Dividend Yield	~ 3%
Long-term Targeted Dividend Payout Ratio	60-70%
Dividend Growth Rate	Align with earnings

Balanced Growth and Income Strategy

Strong and stable regulated electric operations provide cash flow to support dividends

Manufacturing businesses provide above-average earnings growth potential

Attractive dividend growth and yield

Strong returns on equity

Stable and Growing Utility Base

Competitive, low cost integrated electric operations

Rate Base growth (~ 5% CAGR) with supportive regulatory environments

Investment opportunity in generation, transmission and renewables

Successful Manufacturing Businesses

Platform of companies enhances OTTR's earnings growth

Organic growth opportunities exist

Utilization of existing capacity

Operational excellence

Investment Grade Credit Quality

Investment grade senior unsecured credit ratings

Company is committed to maintaining investment grade credit ratings and will manage its operations in a way that reflects this commitment

* Defined as EPS growth rate plus dividend yield

**Growth rate using 2020 as the base year