OTTER TAIL CORP. NDQ-OTTR

RECENT PRICE **92.05** | P/E RATIO **16.5** (Trailing: 19.9 Median: 16.0) | RELATIVE P/E RATIO **0.91** | DIV'D YLD **2.5%** | **VALUE LINE**

TIMELINESS 3 Lowered 8/21/26
SAFETY 3 Lowered 11/21/25
TECHNICAL 2 Raised 8/14/26
BETA .85 (1.00 = Market)

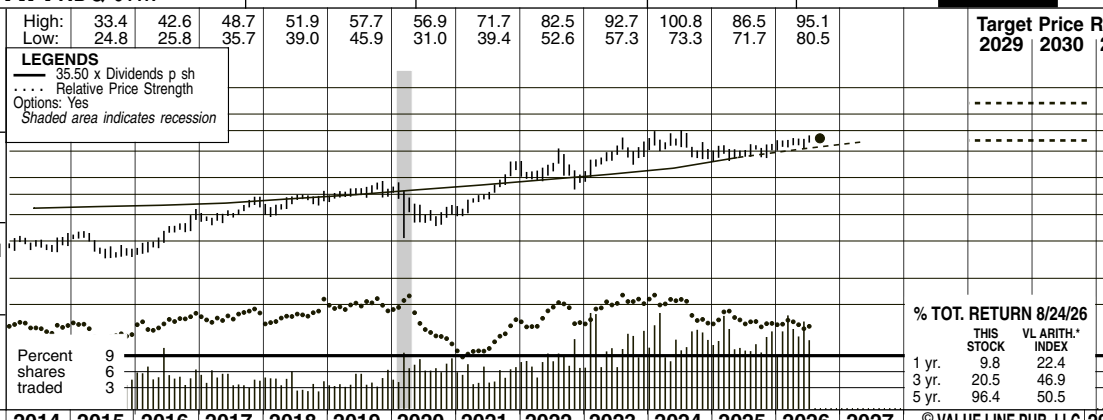
18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$79-$115 $97 (5%)

2029-31 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	135	(+45%)	*12%*
Low	90	(Nil)	*3%*

Institutional Decisions

	4Q2025	1Q2026	2Q2026
to Buy	118	165	171
to Sell	105	132	132
Hld's(000)	28064	34423	34515



% TOT. RETURN 8/24/26

	THIS STOCK	VL ARITH.* INDEX
1 yr.	9.8	22.4
3 yr.	20.5	46.9
5 yr.	96.4	50.5

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
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	31.81	31.12	*30.95*	*32.15*	Revenues per sh	*34.70*
2.60	2.36	2.71	3.02	3.09	3.14	3.44	3.70	3.96	4.11	4.29	6.45	9.05	9.40	9.77	9.40	*9.05*	*8.95*	"Cash Flow" per sh	*10.10*
.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	7.17	6.55	*5.80*	*5.35*	Earnings per sh [A]	*6.40*
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	2.10	*2.31*	*2.50*	Div'd Decl'd per sh [B] ■	*3.15*
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	6.88	8.57	6.87	*11.10*	*10.00*	Cap'l Spending per sh	*8.05*
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	34.60	39.89	44.42	*45.85*	*48.80*	Book Value per sh [C]	*60.60*
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	41.83	41.91	*42.00*	*42.00*	Common Shs Outst'g [D]	*42.50*
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	11.9	12.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.5*
NMF	2.98	1.38	1.19	.99	.92	1.06	1.11	1.20	1.25	.94	.66	.55	.59	.62	.64			Relative P/E Ratio	*.95*
5.7%	5.6%	5.2%	4.1%	4.1%	4.3%	3.9%	3.1%	2.9%	2.7%	3.5%	3.0%	2.6%	2.3%	2.2%	2.6%			Avg Ann'l Div'd Yield	*2.7%*
803.5	849.4	916.4	919.5	890.1	1196.8	1460.2	1349.2	1330.5	1304.1	*1300*	*1350*	Revenues ($mill)	*1475*
62.0	73.9	82.3	86.8	95.9	176.8	284.2	294.2	301.7	275.9	*245*	*225*	Net Profit ($mill)	*270*
24.5%	25.5%	15.0%	16.7%	17.4%	16.9%	20.5%	19.1%	17.8%	14.4%	*17.5%*	*17.5%*	Income Tax Rate	*17.5%*
2.2%	2.3%	4.1%	4.9%	6.4%	.8%	.9%	.9%	.6%	.5%	*.5%*	*.5%*	AFUDC % to Net Profit	*.5%*
43.0%	41.3%	44.7%	46.9%	41.8%	42.6%	40.4%	36.4%	36.1%	34.1%	*37.5%*	*38.0%*	Long-Term Debt Ratio	*36.0%*
57.0%	58.7%	55.3%	53.1%	58.2%	57.4%	59.6%	63.6%	63.9%	65.9%	*62.5%*	*62.0%*	Common Equity Ratio	*64.0%*
1175.4	1187.3	1318.9	1471.1	1495.4	1724.8	2041.1	2267.1	2612.2	2825.4	*3075*	*3300*	Total Capital ($mill)	*4025*
1477.2	1539.6	1581.1	1753.8	2049.3	2124.6	2212.7	2418.4	2692.5	2876.7	*3175*	*3400*	Net Plant ($mill)	*4225*
6.5%	7.3%	7.3%	7.0%	7.4%	11.1%	14.8%	13.8%	12.4%	10.6%	*9.0%*	*7.5%*	Return on Total Cap'l	*7.5%*
9.3%	10.6%	11.3%	11.1%	11.0%	17.8%	23.3%	20.4%	18.1%	14.8%	*12.5%*	*11.0%*	Return on Shr. Equity	*10.5%*
9.3%	10.6%	11.3%	11.1%	11.0%	17.8%	23.3%	20.4%	19.4%	15.6%	*13.0%*	*11.5%*	Return on Com Equity	*11.0%*
2.1%	3.3%	4.0%	4.0%	4.1%	11.3%	17.7%	15.3%	13.4%	10.1%	*7.5%*	*6.0%*	Retained to Com Eq	*5.5%*
78%	69%	65%	64%	63%	37%	24%	25%	26%	32%	*41%*	*48%*	All Div'ds to Net Prof	*48%*

CAPITAL STRUCTURE as of 6/30/26
Total Debt $1,266.7 mill.
LT Debt $1,132.9 mill. **LT Interest** $47.2 mill.
(LT interest earned: 8.5x) (34% of Cap'l)

Leases, Uncapitalized Annual rentals $6.6 mill.
Pension Assets-12/25 $342.2 mill.
Oblig $382.4 mill.

Pfd Stock None

Common Stock 41,985,580 shs.
as of 7/31/26

MARKET CAP: $3.9 billion (Small Cap)

ELECTRIC OPERATING STATISTICS

	2023	2024	2025
% Change Retail Sales (KWH)	+4.5	-2.8	+6.2
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	1201	1274	1212
Peak Load, Summer/Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	955	870	704

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25 to '29-'31
Revenues	3.5%	7.5%	*1.5%*
"Cash Flow"	12.0%	18.5%	*1.0%*
Earnings	17.0%	26.5%	*-1.5%*
Dividends	4.0%	5.0%	*8.5%*
Book Value	9.5%	13.5%	*7.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	339.1	337.7	358.1	314.3	1349.2
2024	347.1	342.3	338.0	303.1	1330.5
2025	337.4	333.0	325.6	308.1	1304.1
2026	347.0	334.4	*320*	*298.6*	*1300*
2027	*350*	*345*	*340*	*315*	*1350*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	1.49	1.95	2.19	1.37	7.00
2024	1.77	2.07	2.03	1.30	7.17
2025	1.62	1.85	1.86	1.23	6.55
2026	1.73	1.66	*1.55*	*.86*	*5.80*
2027	*1.50*	*1.40*	*1.50*	*.95*	*5.35*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.4125	.4125	.4125	.4125	1.65
2023	.4375	.4375	.4375	.4375	1.75
2024	.4675	.4675	.4675	.4675	1.87
2025	.525	.525	.525	.525	2.10
2026	.5775	.5775	.5775		

BUSINESS: Otter Tail Corp. supplies electricity to 134,000 customers in Minnesota (48% of '25 retail electric rev.), North Dakota (42%), and South Dakota (10%). Generating capacity by source: coal, 33%; natural gas & oil, 30%; owned/purchased renewable, 37% (12/25). Production fuel accounted for 13.2% of '25 electric revenue. Operating segments include: Electric (43.5% of '25 net revenue; 34.9% of net income); Plastics (32.4%; 61.0%); Manufacturing (24.1%; 4.1%). Has 2,133 employees. Off./dir. own 2.0% of stock; BlackRock, Inc., 15.7%; Vanguard Group, 12.0% (3/26 Proxy). Chrmn: Nathan Partain. CEO: Charles MacFarlane. Inc.: MN. Addr.: 215 South Cascade St., Box 496, Fergus Falls, MN 56538-0496. Tel.: 866-410-8780. Internet: www.ottertail.com.

Otter Tail Corp. generated June-period results that were better than expected. Net revenues were up slightly against the prior-year period, and modestly exceeded our $330 million target. The Electric segment was weighed down by production tax credit passthroughs and reduced fuel recovery after a planned plant outage, but net income held steady with support from rate increases. Manufacturing delivered stronger earnings on higher volumes and a better product mix in construction and horticulture markets. Too, Plastics posted solid volume growth of about 15% as customers stocked up ahead of resin price increases, but lower average selling prices reduced profits. Share earnings came in above our $1.55 estimate.

Near-term results will be shaped by residual effects from the second-quarter volume pull-forward and continued plastics price normalization. Plastics sales volumes are expected to soften after the inventory build seen in the June interim, while average PVC prices are still projected to decline roughly 15% for the full year. Manufacturing should benefit from expanded capacity utilization, though agriculture-related demand remains under pressure from weak farm economics and trade uncertainties. The Electric segment will continue to reflect interim rate increases already in effect in Minnesota, ongoing recovery of investments, and any weather influences within the upper Midwest region of the U.S. We have adjusted our full-year bottom-line estimate to $5.80 per share, from $5.65.

The $1.9 billion five-year investment program targets 10% rate-base growth, driven by solar projects, battery storage, and transmission lines. The large-load pipeline of about 1,400 megawatts, including data-center and thermal-storage opportunities, presents potential upside. Meanwhile, Plastics results should stabilize around 2028, and Manufacturing aims to leverage recent capacity additions for margin improvement.

Investors will probably want to look elsewhere at this juncture. Our projections indicate that the equity will deliver below-average total returns out to 2029-2031, compared to the broader Utility sector.

Collin Cicconi *September 4, 2026*

(A) Diluted egs. Excludes nonrec. gains (losses): '10, (44¢); '11, (85¢); '12, ($1.22); '13, 4¢; '14, 2¢; '15, 2¢; '16, 1¢; '17, 1¢; '26 Q2, ($1.84). Next egs. report due early November.
(B) Div'ds historically paid in early Mar., Jun., Sep., & Dec. ■ Div'd reinv. plan avail.
(C) Includes intangibles: In '25: $42.2 million, or $1.01/sh.
(D) In mill.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	85
Earnings Predictability	70

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