



Third Quarter 2019

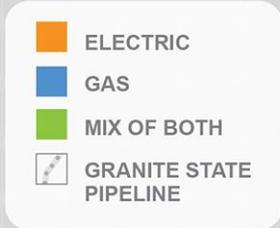
EARNINGS CONFERENCE CALL

SAFE HARBOR PROVISION

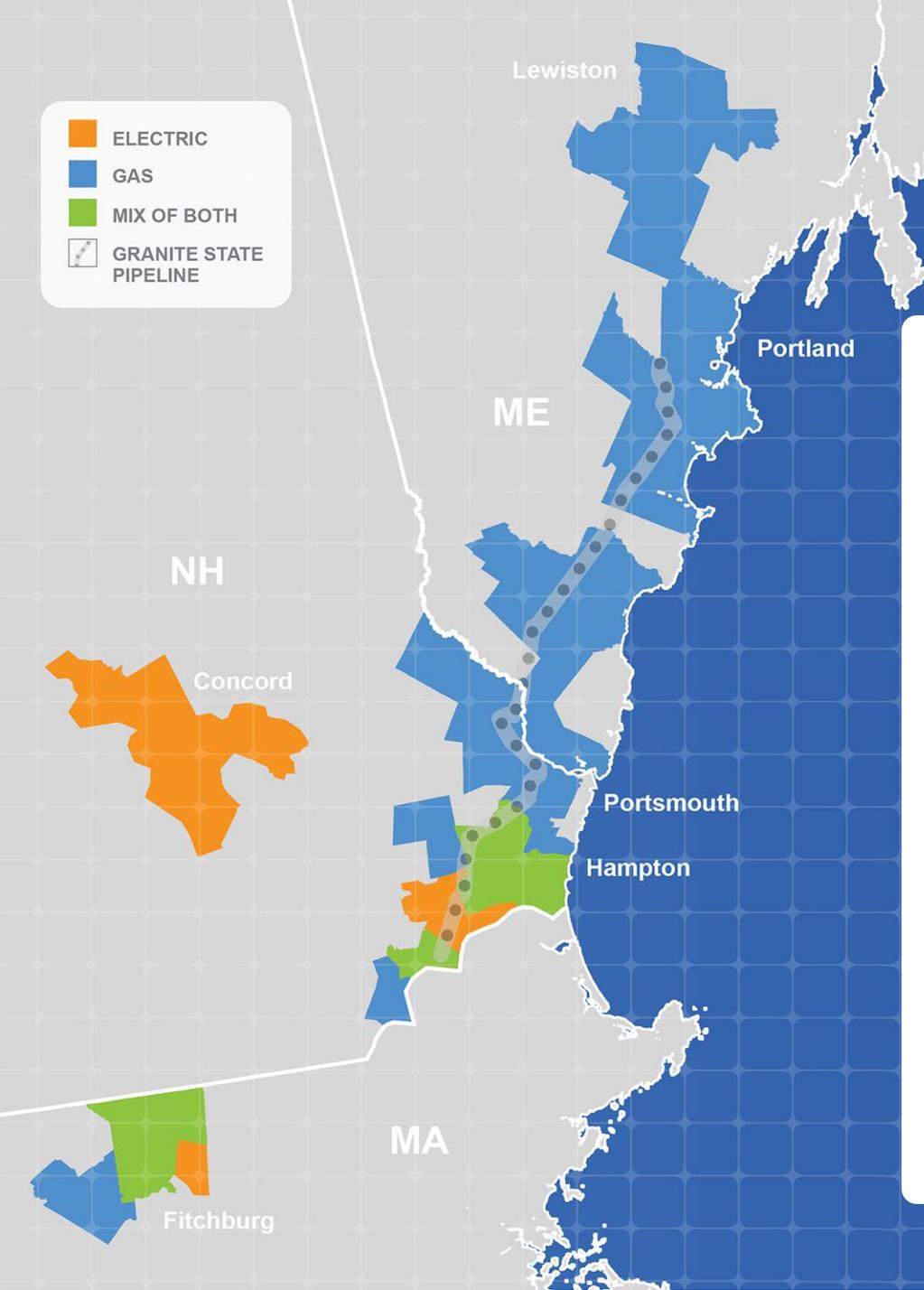
This presentation contains “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding Unitil Corporation’s (“Unitil”) financial condition, results of operations, capital expenditures, business strategy, regulatory strategy, market opportunities, and other plans and objectives. In some cases, forward-looking statements can be identified by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue”, the negative of such terms, or other comparable terminology.

These forward-looking statements are neither promises nor guarantees, but involve risks and uncertainties that could cause the actual results to differ materially from those set forth in the forward-looking statements. Those risks and uncertainties include: Unitil’s regulatory environment (including regulations relating to climate change, greenhouse gas emissions and other environmental matters); fluctuations in the supply of, demand for, and the prices of energy commodities and transmission capacity and Unitil’s ability to recover energy commodity costs in its rates; customers’ preferred energy sources; severe storms and Unitil’s ability to recover storm costs in its rates; general economic conditions; changes in taxation; variations in weather; long-term global climate change; catastrophic events; numerous hazards and operating risks relating to Unitil’s electric and natural gas distribution activities; Unitil’s ability to retain its existing customers and attract new customers; Unitil’s energy brokering customers’ performance and energy used under multi-year energy brokering contracts; increased competition; integrity and security of operational and information systems; publicity and reputational risks; and other risks detailed in Unitil’s filings with the Securities and Exchange Commission, including those appearing under the caption “Risk Factors” in Unitil’s Annual Report on Form 10-K for the year ended December 31, 2018.

Readers should not place undue reliance on any forward looking statements, which speak only as of the date they are made. Except as may be required by law, Unitil undertakes no obligation to update any forward-looking statements to reflect any change in Unitil’s expectations or in events, conditions, or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.



- ELECTRIC
- GAS
- MIX OF BOTH
- GRANITE STATE PIPELINE



About Unitil

Unitil Corporation is a public utility holding company whose mission is to safely and reliably deliver **energy** for life and provide our customers with affordable and sustainable energy solutions

- Investment grade utility
- Diversified Net Utility Plant of more than \$1 billion
 - Gas 65%, Electric 35%
 - NH 44%, ME 31%, MA 25%
- Growing customer base

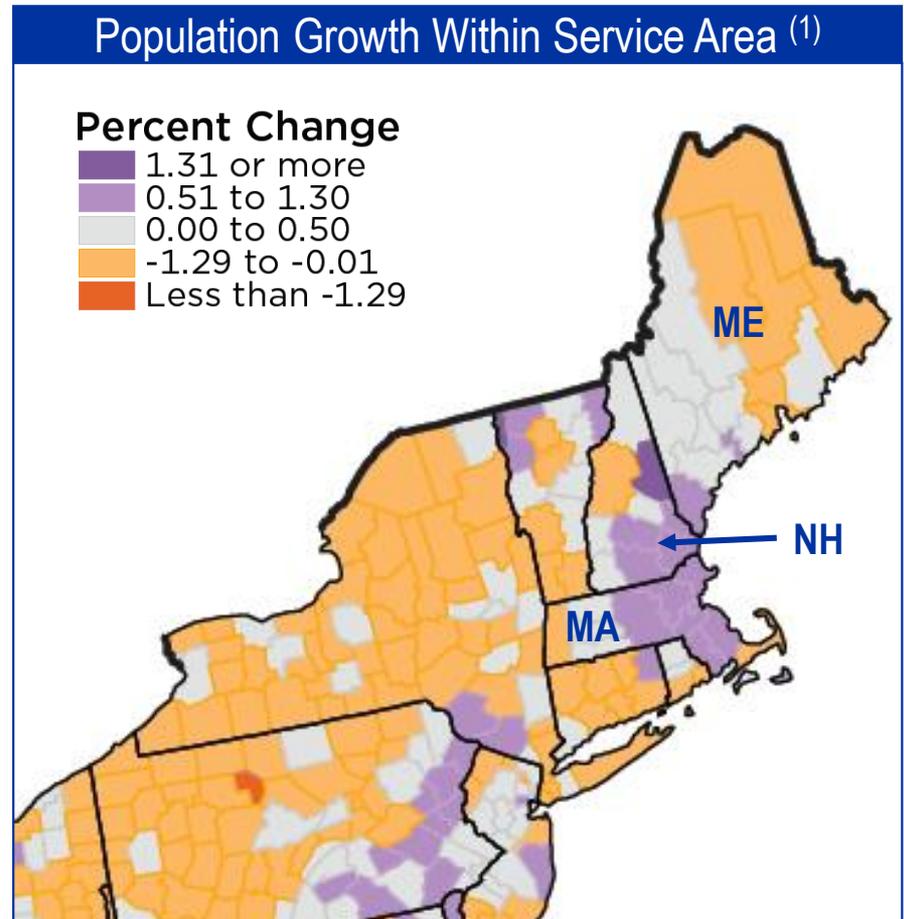
Q3 2019 FINANCIAL RESULTS

- For the three months ended September 30, 2019 Net Income of \$2.3 million or \$0.15 per share
 - Decrease of \$0.5 million or \$0.04 per share compared to 2018 is primarily a result of milder summer weather than the prior year
- For the nine months ended September 30, 2019 Net Income is \$32.8 million or \$2.20 per share
 - Excluding the divestiture gain for the sale of Usource of \$9.8 million or \$0.66 per share, Net Income is up \$1.0 million or \$0.05 per share due to strong margin growth
 - Usource had historically contributed \$0.02 to \$0.03 per share to earnings each quarter

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net Income (in millions)	\$2.3	\$2.8	\$32.8	\$22.0
Earnings Per Share	\$0.15	\$0.19	\$2.20	\$1.49

SUSTAINED ECONOMIC EXPANSION

- Seacoast economy is attracting new development and jobs resulting in population growth
 - Significant housing and hospitality developments indicating population growth may continue into the future
- \$7.8 billion of new construction planned or underway
 - Increase of \$1.0 billion over prior year indicating continuing economic expansion
 - Thousands of new housing units across our service areas



(1) U.S. Census Bureau 2018 Population Estimates

CORPORATE SUSTAINABILITY

Sustainability Practices and Priorities



Customer & Communities

Our business strategies must be aligned with the economic, social and environmental priorities of the communities we serve



People

Sustainability begins with our people, whose growth and development are crucial to our continued success



Safety & Reliability

We are committed to the modernization of our infrastructure to meet the highest standards for safety, reliability and resiliency while also ensuring a reliable and affordable energy supply



Energy & Environment

Our commitment to sustainable practices includes responsibility to the environment as we work to expand clean energy choices for our customers, while also adapting to a changing energy mix driven by technological advancements and clean energy

GAS YTD SALES & MARGIN

Unit Sales



Weather Normal Unit Sales*



Customers



Margin



↑ Weather Normal Unit Sales up 5.5%

- Increase in unit sales reflects 1,468 additional natural gas customers served
- Existing non-heat residential customers transitioning to gas as a source of heat

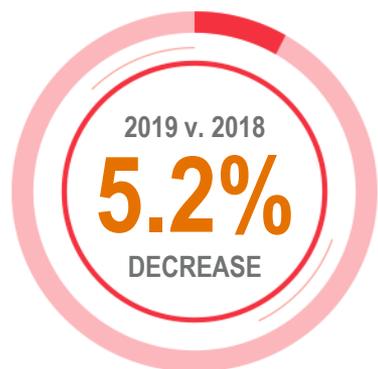
↑ Sales Margin up \$5.1 million

- \$4.6 million increase due to higher natural gas distribution rates
- \$1.7 million increase due to customer growth
- Partially offset by the absence of a \$1.2 million non-recurring adjustment in Q2 2018 in connection with the NH base rate case

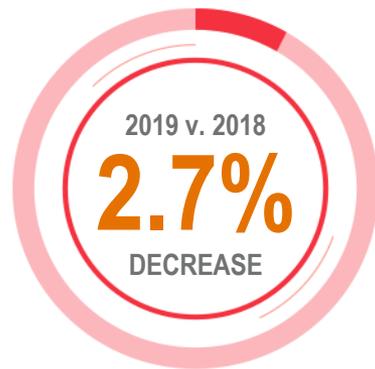
*Weather normal sales excludes decoupled sales units

ELECTRIC YTD SALES & MARGIN

Unit Sales



Weather Normal Unit Sales*



Customers



Margin



↓ Weather Normal Unit Sales down 2.7%

- Decrease reflects lower average usage overall, slightly offset by an increase of 554 customers
- Decoupling mechanisms mitigate impact of unit sales on margin

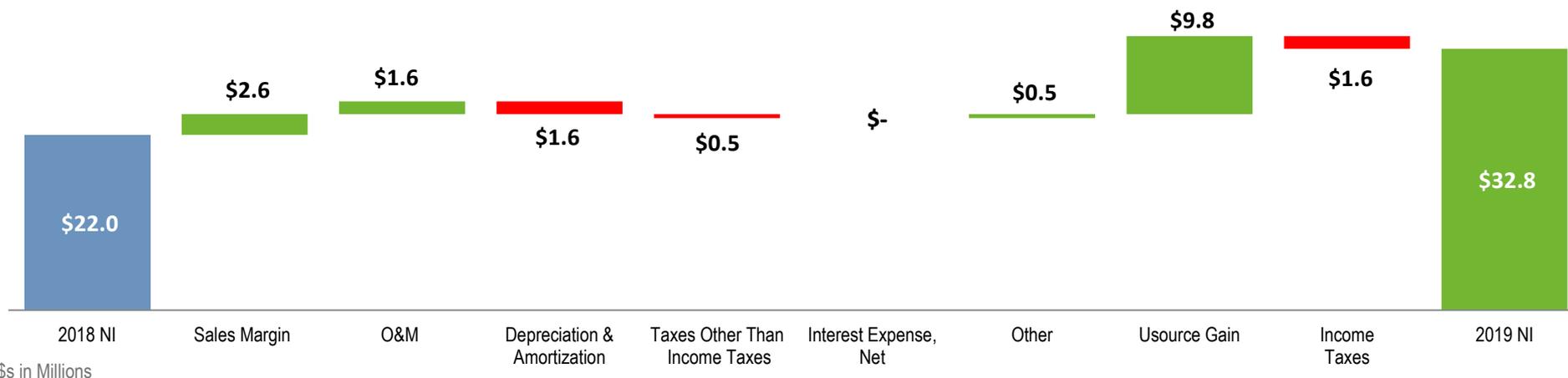
↑ Sales Margin up \$0.1 million

- \$1.4 million increase due to higher distribution rates
- \$1.3 million decrease due to lower kWh sales

*Weather normal sales excludes decoupled sales units

YTD EARNINGS VARIANCE: 2019 VS 2018

- Gas and Electric sales margin up \$5.2, offset by \$2.6 million less Usource revenue as a result of the divestiture
- O&M is lower by \$1.6 million
 - \$1.2 million less O&M as a result of a 2018 non-recurring adjustment in connection with a rate case
 - \$1.7 million less O&M incurred as a result of the Usource divestiture
 - Core utility O&M increased \$1.3 million, largely a result of higher labor costs
- Depreciation & Amortization and Taxes Other Than Income Taxes trended higher due to higher utility plant
- Interest Expense is flat due to lower interest on long-term debt, offset by higher short-term borrowings
- Other Expense is lower by \$0.5 million as a result of lower retirement benefit costs
- Usource after-tax divestiture gain of \$9.8 million
- Income Taxes increased due to higher pre-tax earnings



FINANCING & REGULATORY ACTIVITY

Financing Activity

Northern Utilities closed and received \$40 million of funding in Q3

- Funds reduced short-term borrowings and reduced exposure to variable interest rates
- Notes were imputed in the Northern Utilities (ME) ongoing gas base rate case

Principal

\$40 mm

Coupon Rate

4.04%

Tenor

30 Years

Regulatory Activity

Fitchburg (Gas and Electric) submitted a letter of intent to file a general base rate case

- Expect to file with the DPU in Q4 2019

Northern Utilities (ME only) gas base rate case continues to progress as planned

Requesting

Revenue Deficiency

\$7.0 mm

Equity Ratio

52.9%

Rates Effective

Q2 2020

Q3 2019 RETURN ON EQUITY

Company	Average Common Equity	9/19 LTM ROE ⁽¹⁾
Northern Utilities (New Hampshire)	\$206	8.2%
Northern Utilities (Maine)		
Unitil Energy	\$85	8.9%
Fitchburg (Electric)	\$81	6.1%
Fitchburg (Gas)		
Granite State	\$14	9.5%
Unitil Corporation ⁽²⁾	\$357	12.2%

(1) ROE calculated by dividing last twelve months GAAP Net Income by Average Common Equity

(2) Unitil Corporation LTM ROE excluding the one-time divestiture gain from the sale of Usource is 9.5%

2019 Rate Relief Summary

Company	Activity	Dollars (in Millions)	Date Effective
Northern Utilities (New Hampshire)	2018 Rate Relief (Net of TCJA)	\$0.6	Q1/Q2 2018
	Capital Tracker - 2019	\$1.4	Q2 2019
Northern Utilities (Maine)	2018 Rate Relief (Net of TCJA)	\$1.0	Q1/Q2 2018
	Capital Tracker – 2019	\$1.0	Q2 2019
Unitil Energy	2018 Rate Relief (Net of TCJA)	(\$0.3)	Q1/Q2 2018
	Capital Tracker – 2019	\$0.3	Q2 2019
Fitchburg (Electric)	2018 Rate Relief (Net of TCJA)	(\$0.1)	Q1/Q2 2018
	Electric Capital Tracker – 2019	\$0.9	Q2 2019
Fitchburg (Gas)	2018 Rate Relief (Net of TCJA)	\$0.1	Q1/Q2 2018
	Gas Capital Tracker – 2019	\$1.0	Q2 2019
Granite State	2018 Rate Relief (Net of TCJA)	\$0.0	Q2 2018

Over \$4 million in 2019 rate relief planned outside of rate cases

KEY INVESTMENT HIGHLIGHTS

- Regulated local distribution utility business model
- Growing service areas and customer base
- Diversified natural gas and electric operations
- Dividend strength
- Experienced management team



Unitil
energy for life