



BofA Securities 2020 Power, Gas and Solar Leaders Conference

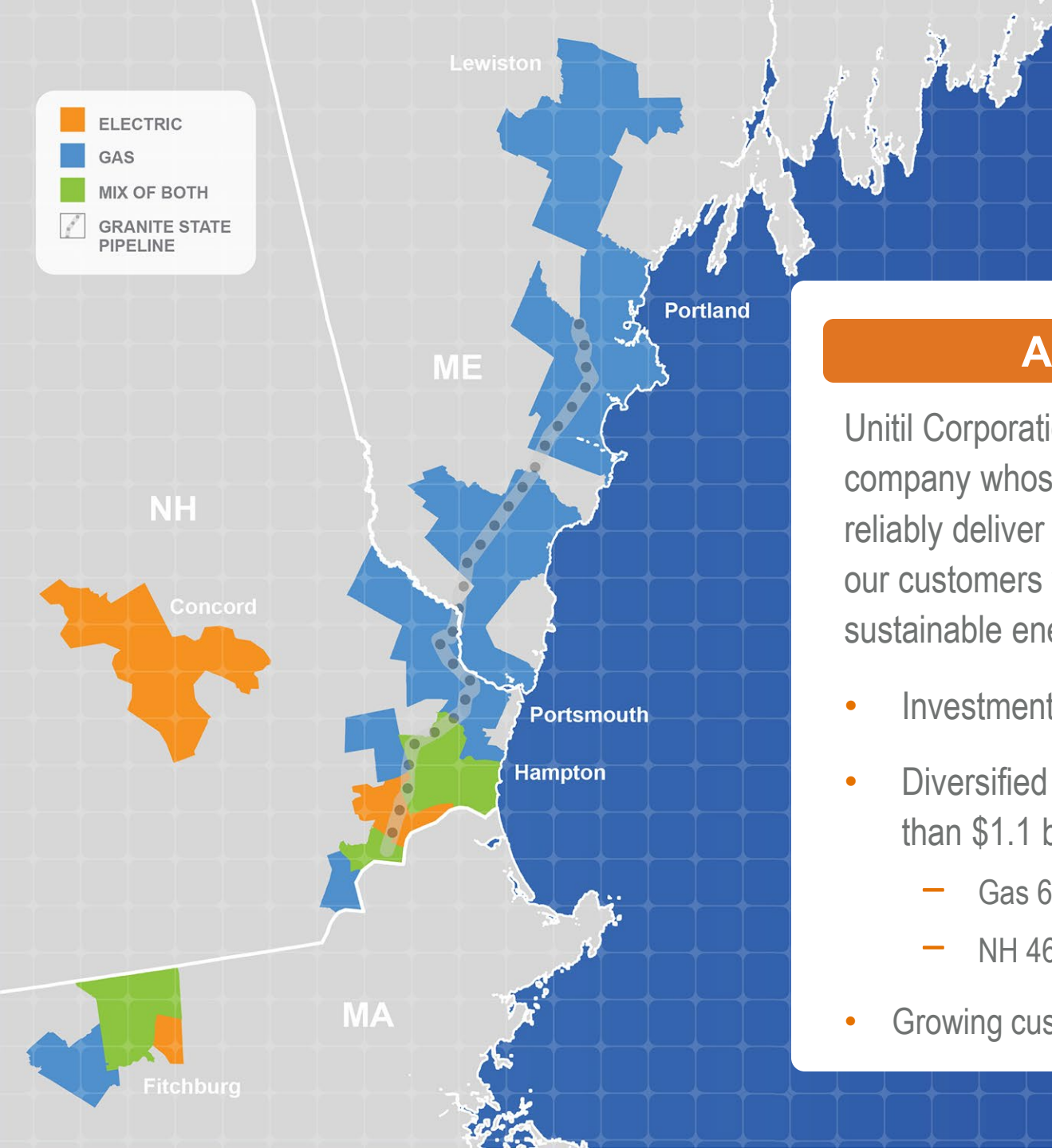
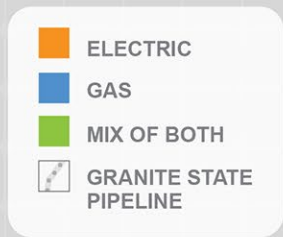
March 4, 2020

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, 2019.

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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 \$1.1 billion
 - Gas 64%, Electric 36%
 - NH 46%, ME 28%, MA 26%
- Growing customer base

2019 FINANCIAL RESULTS

- For the year ended December 31, 2019 Net Income is \$44.2 million or \$2.97 per share
 - Excluding the divestiture gain for the sale of Usource of \$9.8 million or \$0.66 per share, Net Income is up \$1.4 million or \$0.08 per share

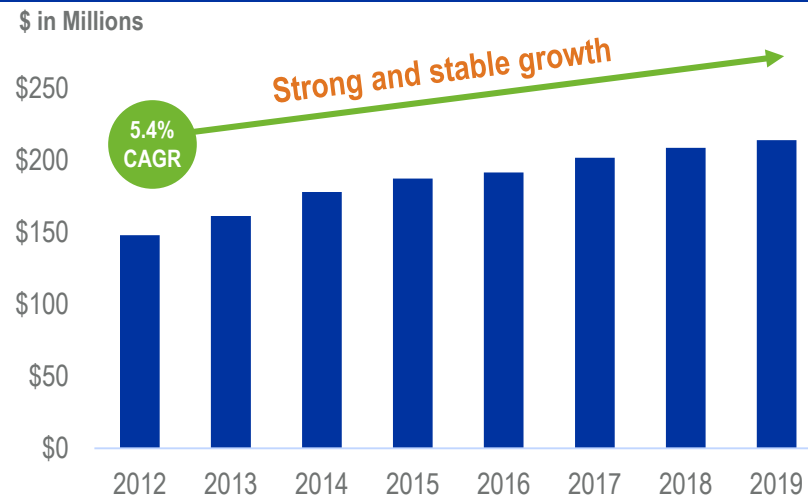
Twelve Months Ended December 31,		
	<u>2019</u>	<u>2018</u>
Net Income (\$ in millions)	\$ 44.2	\$ 33.0
Earnings Per Share	\$ 2.97	\$ 2.23

FINANCIAL SUMMARY Q4 2019

EPS Growth



Margin Growth



Usource Divestiture

Successfully divested of non-regulated energy brokering and advisory business

- Recognized after-tax gain of \$9.8 million or \$0.66 per share
- Net proceeds invested into regulated subsidiaries

Net Utility Plant



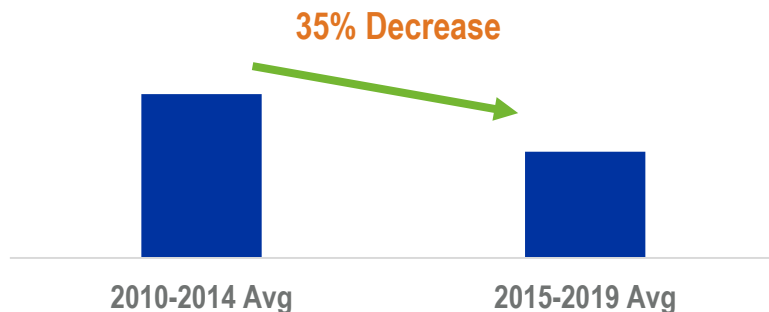
Increase in net utility plant driven from growing investment program, funded, in part, by proceeds from Usource divestiture

(1) 2019 EPS excludes the divestiture gain of \$0.66 per share

OPERATIONAL SUMMARY Q4 2019

Electric Reliability

2019 was lowest recorded system average interruption time in Company history



Gas Emergency Response Time

Percentage of calls responded to in under 60 minutes



Additional Gas Mains

Successfully added 23 miles of new distribution gas mains and also replaced and modernized 12 miles existing of gas mains



New Operations Center Under Construction



Broke ground on new NH operations facility ⁽¹⁾

⁽¹⁾ Image is artist rendition of completed facility

CUSTOMER & INVESTMENT OPPORTUNITIES

Franchise and Territory Expansion

- Gas service area expansion in NH as a result of new franchise areas and Targeted Area Buildouts (TAB) in Maine

Robust Economy

- Strong economic expansion in existing service areas with over \$7.8 billion of new construction planned or underway

Customer Conversions

- Low on-the-main penetration rate of 62% allows for continued low cost gas customer conversions
- Natural gas has a price advantage and emits 27% less carbon than #2 fuel oil when used for heating

Grid Modernization

- Regulatory initiatives supporting new investment in the electric distribution system
- MA grid modernization investments in 2020 will be recoverable in 2021

Gas Infrastructure Replacement

- ME & MA infrastructure replacement completion scheduled for 2024 and 2034 respectively
- Accelerated cost recovery mechanisms in place

STRONG SHAREHOLDER RETURN

Annualized Returns	1-Year	5-Year	10-Year
Unitil	25.3%	14.5%	15.2%
Dow Jones Utility	27.3%	11.0%	12.4%
S&P 500	31.5%	11.7%	13.6%

**Received the Edison Electric
Institute Index award for
Outstanding Stock Performance
over the past five years for small
market capitalization**



FINANCING ACTIVITY

Unitil Corporation closed on \$30 million of senior unsecured notes in Q4

- The proceeds reduced short term borrowings and reduced exposure to interest rate volatility
- The remaining proceeds invested as equity into the regulated subsidiaries
- Considering a prepayment option for \$20 million of 6.33% Corporate Notes in Q2 2020



Well positioned to continue refinancing long-term debt at lower interest rates

Maturing Debt ⁽¹⁾	Principle	Interest Rate ⁽²⁾
FY 2020	\$39.8 mm	6.1%
FY 2021	\$8.6 mm	7.2%
FY 2022	\$8.2 mm	7.5%
Total	\$56.6 mm	6.5%

(1) FY 2020 includes prepayment option for \$20 million corporate notes

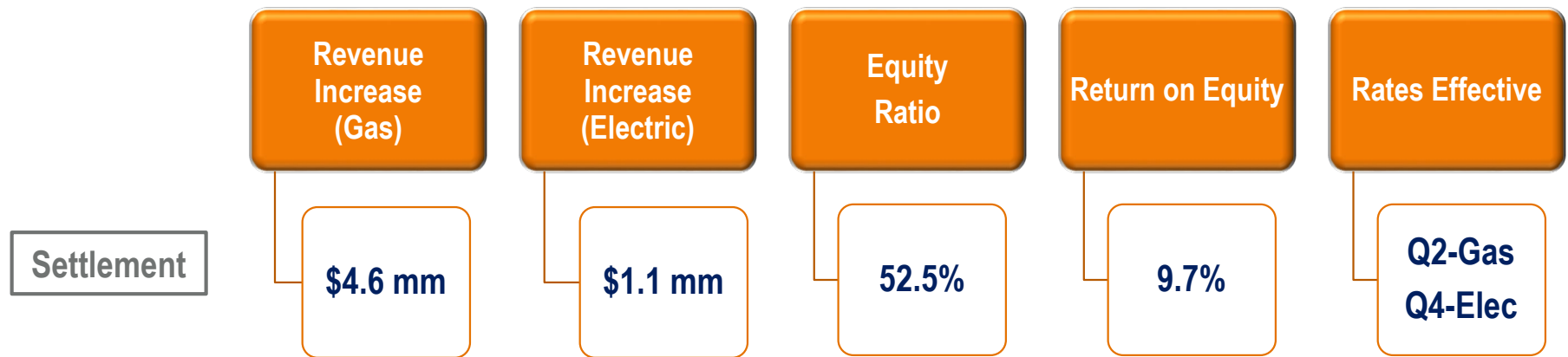
(2) Interest rate is weighted based on principle amounts of maturing debt

FITCHBURG RATE CASE

Both Gas and Electric divisions filed rate cases December, 2019

Reached settlement with the Massachusetts Attorney General and filed with the DPU in January.

- Order approving gas settlement received February 28, 2020
- Requested electric approval in Q2 2020



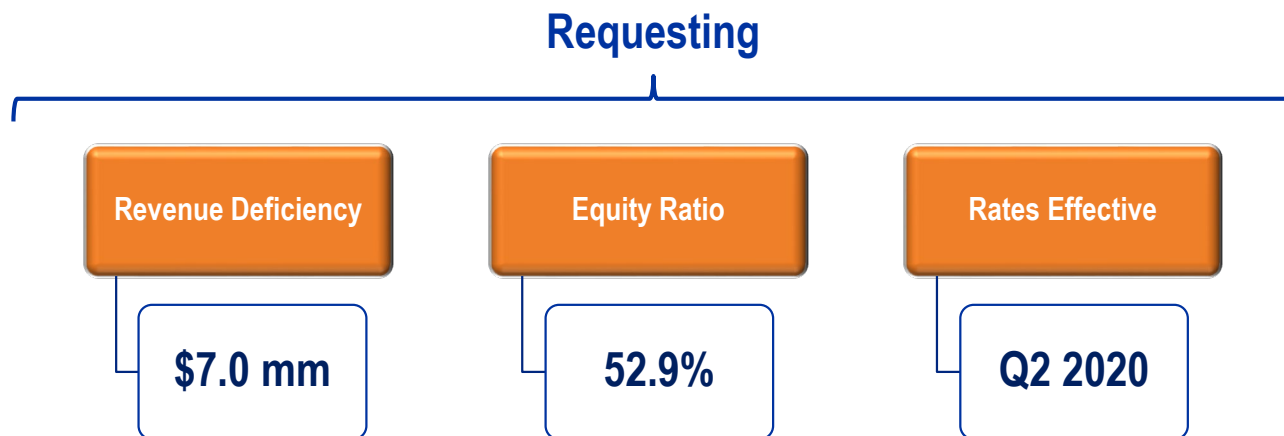
Key Settlement Provisions

- Settlement moves the effective date for new gas distribution rates forward 8 months to March 1st
 - Collecting ~80% of gas deficiency beginning March 1st 2020, with remaining balance beginning March 1st 2021 to lessen customer bill impacts
- More than doubles the existing electric capital tracker investment recovery cap
- Creates Storm Reserve Mechanism which allows for recovery of storm related costs
- 3 year stay out with standard exogenous provisions

NORTHERN UTILITIES RATE CASE

Rate Case - Maine

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



Filing includes request for an alternative rate mechanism to recover non-growth utility investments for a period of three years

This mechanism would be in addition to the Company's ongoing infrastructure replacement recovery program.

OTHER REGULATORY ACTIVITY

Limited exposure to new transmission FERC base ROE methodology (MISO Complaint ⁽¹⁾)

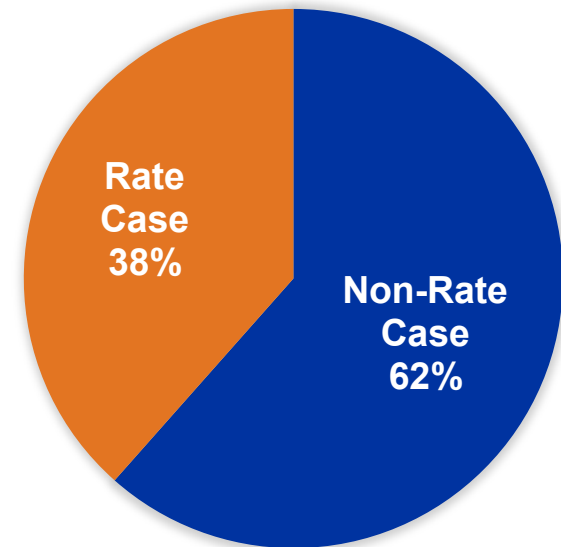
- Electric transmission less than 1% of total rate base

Regulatory approval received for long-term capacity agreement increasing gas supply 11% in NH and Maine

The MA DPU recently allowed Fitchburg to receive remuneration and recover associated administrative costs for its Long-Term Contracts for Qualified Clean Energy Projects

- One contract will materially impact the balance sheet of Fitchburg once they qualify for derivative accounting

Rate Relief Sources ⁽²⁾



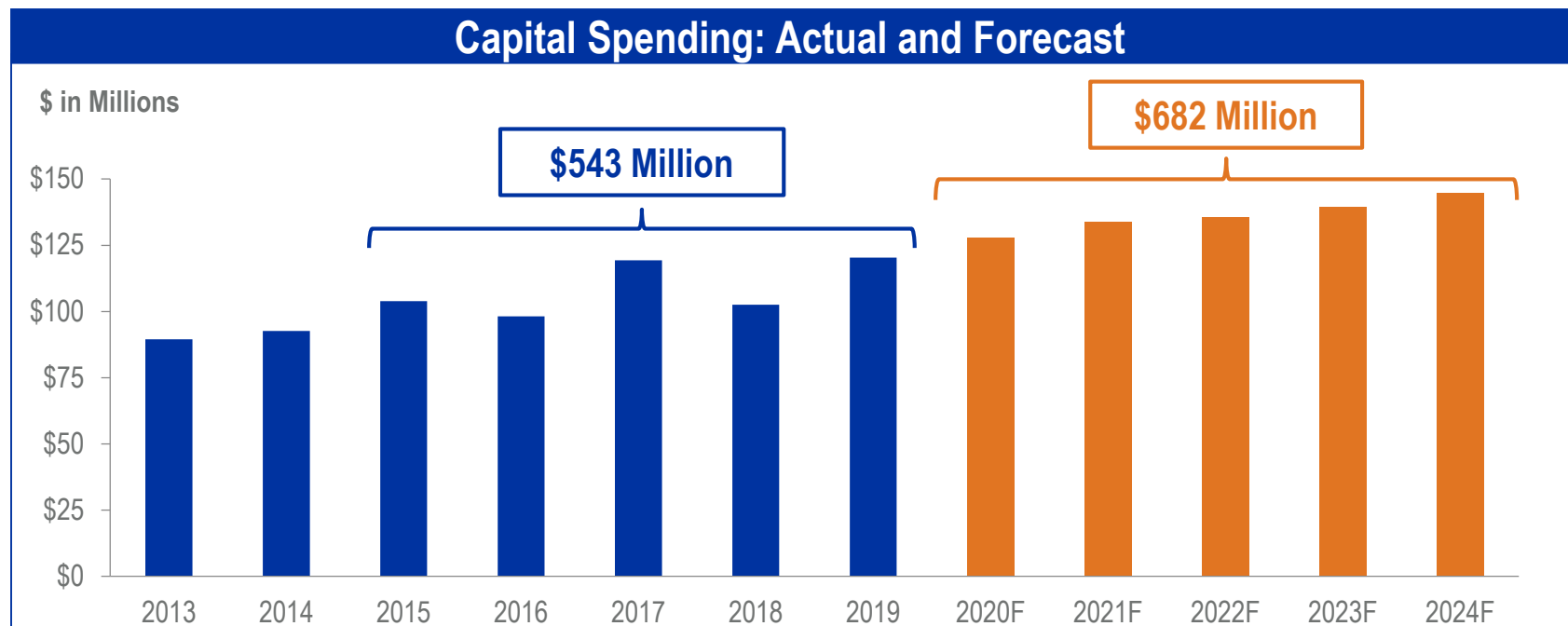
Strong precedent for investment recovery outside of rate cases which reduce regulatory lag on rate base growth

(1) Docket EL14-1

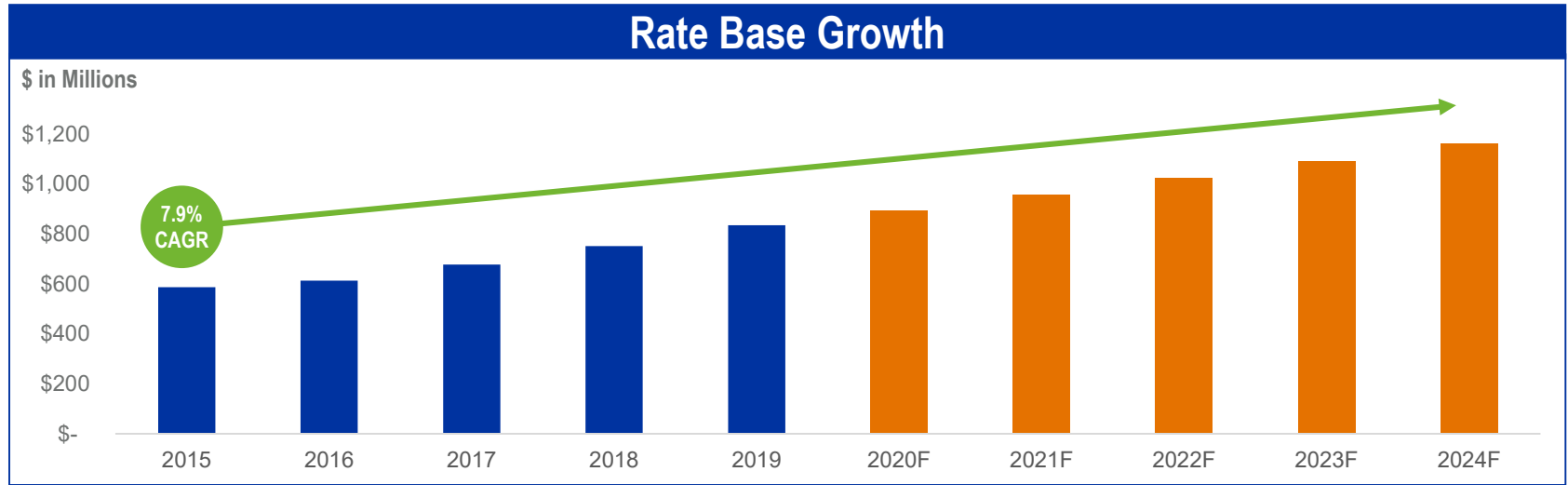
(2) Percentages based on last 5 years of awarded rate relief

INVESTMENT OUTLOOK

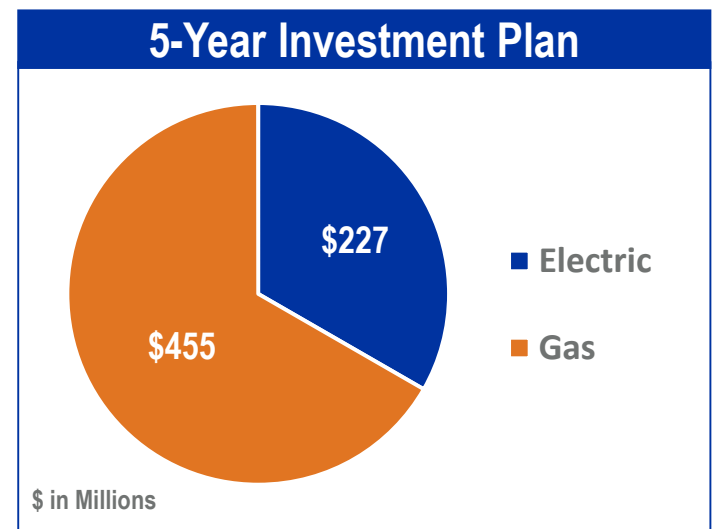
- Increasing investment program to support gas system growth and distribution system modernization
 - 25.6% more spending planned in the next 5 years compared to prior 5 years
- Capital spending forecast of \$128 million in 2020



RATE BASE GROWTH



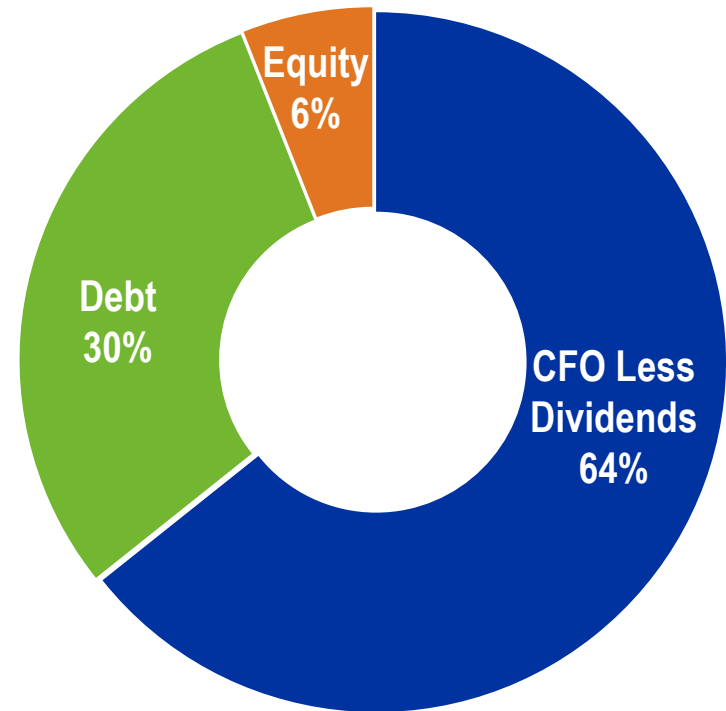
- Forecasting 7.5% to 8.5% rate base growth over the next 5 years
 - Gas growth rate about 70-100 basis points higher than electric
- Growth could be accelerated as a result of additional investment in:
 - Grid modernization program in NH
 - Electric vehicle infrastructure projects
 - Gas supply peaking projects



CAPITAL SOURCES FIVE-YEAR PLAN

Financing Sources

- Capital investment funded primarily from cash flow from operations less dividend payments
 - Declining payout ratio reinvests income and reduces external financing requirements
- The remaining investment program is funded through both Debt and Common Equity to maintain a balanced capital structure
 - Equity proceeds can include the Dividend Reinvestment and 401(k) programs as well as common stock offerings



DIVIDEND POLICY

Strategically reducing the payout ratio to
plowback earnings into the investment program

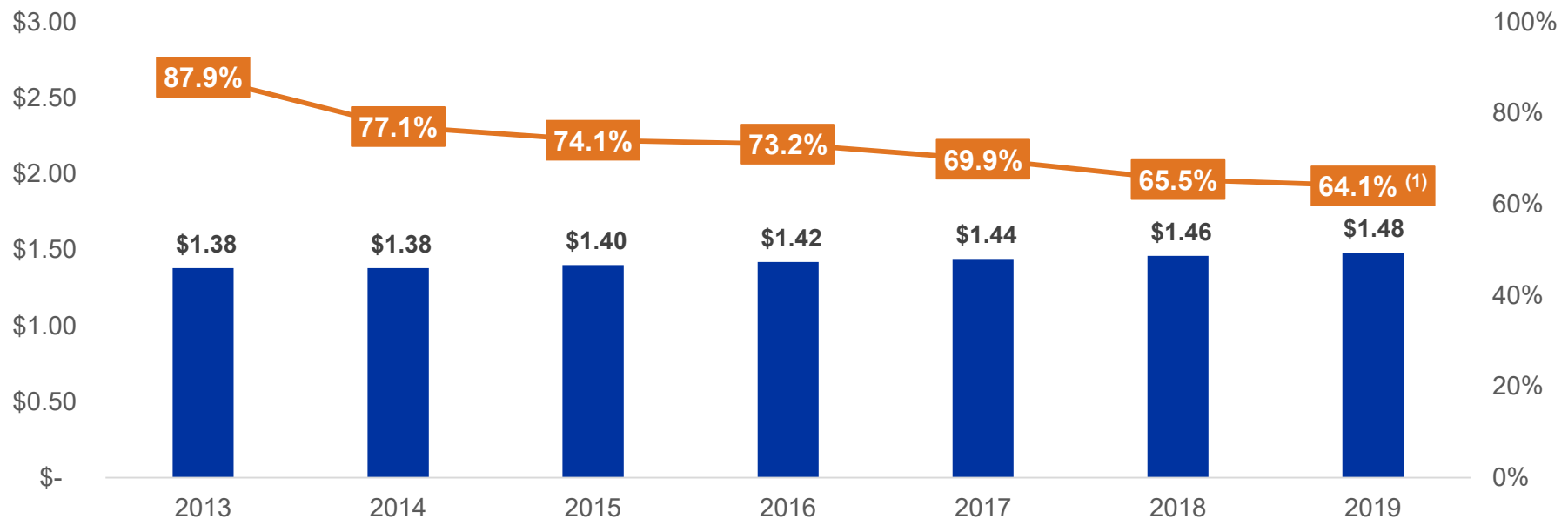


\$1.50/share
(annual)



Target
55%-65%

Dividend and Payout Ratio



(1) 2019 payout ratio excludes the Usource divestiture gain of \$0.66 per share

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



APPENDIX

2019 RETURN ON EQUITY

Company	Average Common Equity	2019 ROE ⁽¹⁾
Northern Utilities (New Hampshire)	\$211	7.7%
Northern Utilities (Maine)		
Unitil Energy	\$91	8.4%
Fitchburg (Electric)	\$82	6.7%
Fitchburg (Gas)		
Granite State	\$17	7.8%
Unitil Corporation ⁽²⁾	\$364	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) Capital Tracker - 2019	\$0.6 \$1.4	Q1/Q2 2018 Q2 2019
Northern Utilities (Maine)	2018 Rate Relief (Net of TCJA) Capital Tracker – 2019	\$1.0 \$1.0	Q1/Q2 2018 Q2 2019
Unitil Energy	2018 Rate Relief (Net of TCJA) Capital Tracker – 2019	(\$0.3) \$0.3	Q1/Q2 2018 Q2 2019
Fitchburg (Electric)	2018 Rate Relief (Net of TCJA) Electric Capital Tracker – 2019	(\$0.1) \$0.9	Q1/Q2 2018 Q2 2019
Fitchburg (Gas)	2018 Rate Relief (Net of TCJA) Gas Capital Tracker – 2019	\$0.1 \$1.0	Q1/Q2 2018 Q2 2019
Granite State	2018 Rate Relief (Net of TCJA)	\$0.0	Q2 2018

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

GAS CUSTOMER GROWTH

Nearly two-thirds of Maine households rely on expensive fuel oil as their primary energy source for home heating, a larger proportion than in any other state in the United States. In New Hampshire, more than two-fifths of households rely on fuel oil, the second highest proportion in the US behind Maine ⁽¹⁾

Natural Gas Opportunity

- **Cleaner** and more **affordable** than fuel oil
- Residential customer can save ~30% by converting from oil to gas
- Natural gas emits ~30% less carbon than #2 fuel oil when used for heating
- Low on-the-main penetration rate of 62% allowing for continued conversions

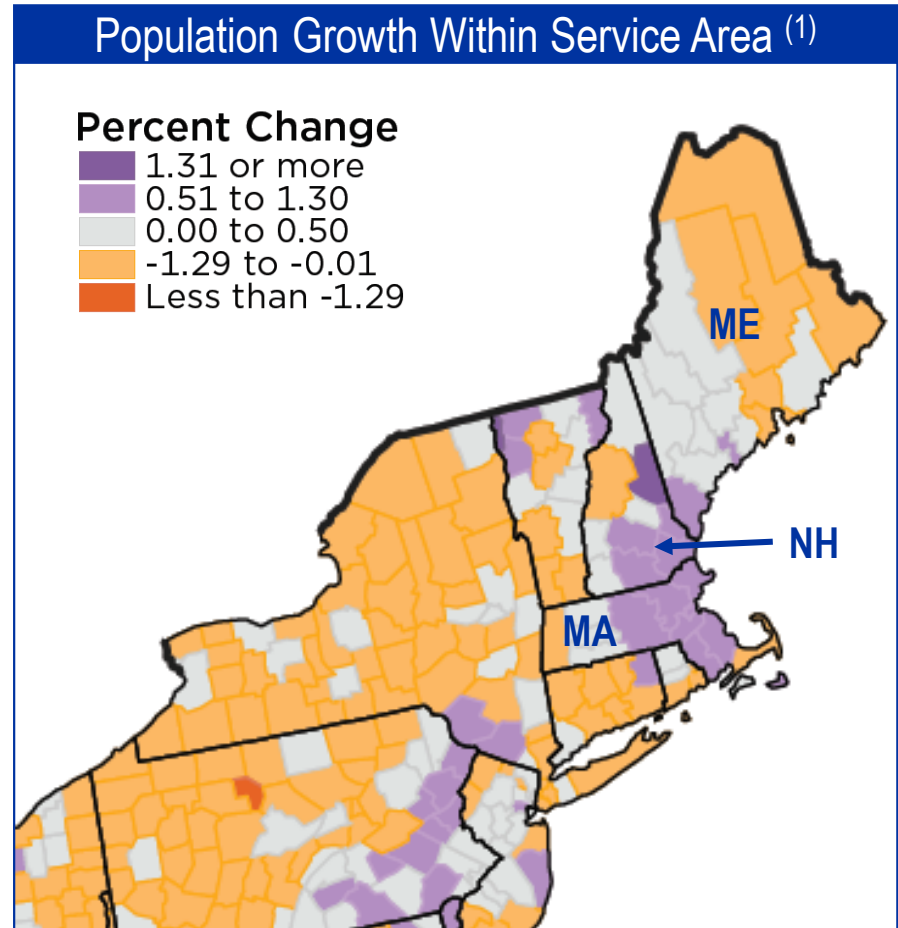
Growth Statistics

- Average gas customer growth of 1.6% each year since 2015
- Average gas sales margin growth of 4.6% since 2015

(1) EIA.gov updated in Q2 2019

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
- Identified \$7.8 billion of new construction planned or underway within service areas ⁽²⁾
 - Increase of \$1.0 billion over prior year indicating continuing economic expansion
 - Thousands of new housing units across our service areas

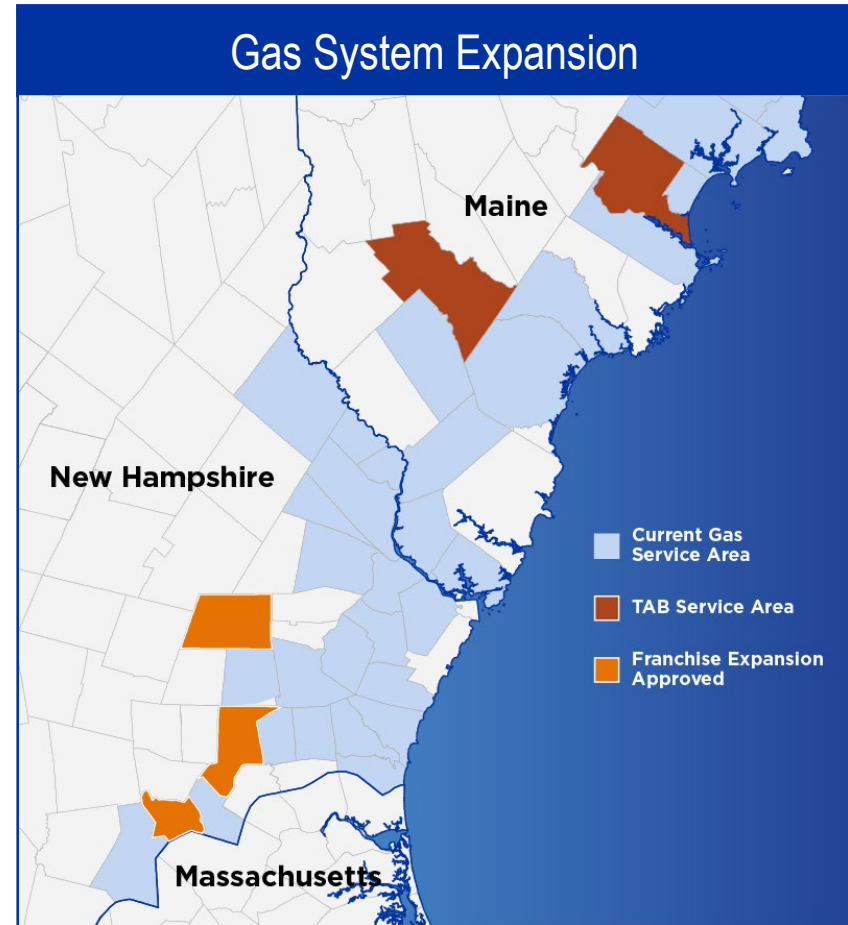


(1) U.S. Census Bureau 2018 Population Estimates

(2) Data as of Q3 2019

EXPANSION OPPORTUNITIES

- Approximately 70 miles of additional gas mains have been installed since 2015
 - Growing economies and populations in service area states can better support natural gas investments
- NH gas franchise expansions
 - Received regulatory approval for three new franchise requests to serve Atkinson, Kingston and Epping
- Target Area Buildout (TAB) progress
 - Saco, ME – Initial 3-year build-out complete; exceeded targeted customer additions
 - Sanford, ME – Second year of build-out completed



INFRASTRUCTURE MODERNIZATION

Gas Infrastructure Replacement

- Total spending remaining on infrastructure replacement programs of over \$135 million with strong cost recovery
- Estimated completion in 2024 (ME) and 2034 (MA); NH completed 2017
- Upgrades simultaneously enhance public safety and expand capacity



Electric Grid Modernization

- Regulatory initiatives in MA and NH support new investments to modernize the electric system
- MA – total spending of ~\$25 million over ten years with strong cost recovery
- NH – plan under development, with estimated spending of ~\$60 million

