



## Unitil Reports First Quarter Earnings

May 7, 2024

HAMPTON, N.H., May 07, 2024 (GLOBE NEWSWIRE) -- Unitil Corporation (NYSE: UTL) ([unitil.com](https://www.unitil.com)) today announced Net Income of \$27.2 million, or \$1.69 in Earnings Per Share (EPS), for the quarter ended March 31, 2024, an increase of \$3.1 million in Net Income, or \$0.18 in EPS, compared to the same period in 2023. The Company's Electric and Gas GAAP Gross Margins were \$20.1 million and \$50.2 million, respectively, for the first quarter of 2024.

"We continued to deliver on our commitments to stakeholders with strong operational and financial performance in the first quarter," said Thomas P. Meissner, Jr., Unitil's Chairman and Chief Executive Officer. "Our successful response to multiple winter storms, steady progress on regulatory initiatives, and disciplined approach to cost management reflect the Company's focus on our strategic priorities and creating long-term sustainable value."

Electric GAAP Gross Margin was \$20.1 million in the three months ended March 31, 2024, a decrease of \$0.2 million compared to the same period in 2023. The decrease was driven by higher depreciation and amortization expense of \$0.6 million, partially offset by higher rates and customer growth of \$0.4 million.

Electric Adjusted Gross Margin (a non-GAAP financial measure<sup>1</sup>) was \$27.1 million in the first quarter of 2024, an increase of \$0.4 million compared to the same period in 2023. This increase reflects higher rates and customer growth.

Gas GAAP Gross Margin was \$50.2 million in the three months ended March 31, 2024, an increase of \$5.4 million compared to the same period in 2023. The increase was driven by higher rates and customer growth of \$6.5 million, partially offset by the unfavorable effects of warmer winter weather in 2024 of \$0.4 million and higher depreciation and amortization of \$0.7 million.

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<sup>1</sup> The accompanying Supplemental Information more fully describes the non-GAAP financial measures used in this press release and includes a reconciliation of the non-GAAP financial measures to the financial measures that the Company's management believes are the most comparable GAAP financial measures. The Supplemental Information also includes a discussion of the changes in the most comparable GAAP financial measures for the periods presented.

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Gas Adjusted Gross Margin (a non-GAAP financial measure<sup>1</sup>) was \$61.0 million in the first quarter of 2024, an increase of \$6.1 million compared to the same period in 2023, driven by higher rates and customer growth of \$6.5 million, partially offset by the unfavorable effects of warmer winter weather in 2024 of \$0.4 million.

Operation and Maintenance expenses increased \$0.1 million in the three months ended March 31, 2024, compared to the same period in 2023. The increase reflects higher utility operating costs.

Depreciation and Amortization expense increased \$1.3 million in the three months ended March 31, 2024, compared to the same period in 2023, reflecting additional depreciation associated with higher levels of utility plant in service and higher amortization of storm costs and other deferred costs.

Taxes Other Than Income Taxes increased \$0.4 million in the three months ended March 31, 2024, compared to the same period in 2023, reflecting higher local property taxes on higher utility plant in service and higher payroll taxes.

Other Expense (Income), Net increased \$0.3 million in the three months ended March 31, 2024, compared to the same period in 2023, reflecting higher retirement benefit costs.

Interest Expense, Net increased \$0.2 million in the three months ended March 31, 2024, compared to the same period in 2023, primarily reflecting higher interest expense on short-term borrowings and higher levels of long-term debt, partially offset by higher interest income on regulatory assets and other.

Federal and State Income Taxes increased \$1.1 million for the three months ended March 31, 2024 compared to the same period in 2023, reflecting higher pre-tax earnings in 2024.

At its January 2024 and May 2024 meetings, the Unitil Corporation Board of Directors declared quarterly dividends on the Company's common stock of \$0.425 per share. These quarterly dividends result in a current effective annualized dividend rate of \$1.70 per share, representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

The Company's earnings are seasonal and are typically higher in the first and fourth quarters when customers use natural gas for heating purposes.

The Company will hold a quarterly conference call to discuss first quarter 2024 results on Tuesday, May 7, 2024, at 10:00 a.m. Eastern Time. This call is being webcast. This call, financial and other statistical information contained in the Company's presentation on this call, and information required by Regulation G regarding non-GAAP financial measures can be accessed in the Investor Relations section of Unitil's website, [unitil.com](https://www.unitil.com).

[About Unitil Corporation](#)

Unitil Corporation provides energy for life by safely and reliably delivering electricity and natural gas in New England. We are committed to the communities we serve and to developing people, business practices, and technologies that lead to the delivery of dependable, more efficient energy. Unitil Corporation is a public utility holding company with operations in Maine, New Hampshire and Massachusetts. Together, Unitil's operating utilities serve approximately 108,500 electric customers and 88,400 natural gas customers. For more information about our people, technologies, and community involvement please visit [unitil.com](http://unitil.com).

#### Forward-Looking Statements

This press release may contain forward-looking statements. All statements, other than statements of historical fact, included in this press release are forward-looking statements. Forward-looking statements include declarations regarding Unitil's beliefs and current expectations. These forward-looking statements are subject to the inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include the following: Unitil's regulatory environment (including regulations relating to climate change, greenhouse gas emissions and other environmental matters); fluctuations in the supply of, the demand for, and the prices of, energy commodities and transmission and transportation 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; variations in weather; long-term global climate change; unforeseen or changing circumstances, which could adversely affect the reduction of company-wide direct greenhouse gas emissions; Unitil's ability to retain its existing customers and attract new customers; increased competition; and other risks detailed in Unitil's filings with the Securities and Exchange Commission. These forward looking statements speak only as of the date they are made. Unitil undertakes no obligation, and does not intend, to update these forward-looking statements except as required by law.

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#### Supplemental Information: Non-GAAP Financial Measures

The Company analyzes operating results using Electric and Gas Adjusted Gross Margins, which are non-GAAP financial measures. Electric Adjusted Gross Margin is calculated as Total Electric Operating Revenue less Cost of Electric Sales. Gas Adjusted Gross Margin is calculated as Total Gas Operating Revenues less Cost of Gas Sales. The Company's management believes Electric and Gas Adjusted Gross Margins provide useful information to investors regarding profitability. Also, the Company's management believes Electric and Gas Adjusted Gross Margins are important measures to analyze revenue from the Company's ongoing operations because the approved cost of electric and gas sales are tracked, reconciled and passed through directly to customers in electric and gas tariff rates, resulting in an equal and offsetting amount reflected in Total Electric and Gas Operating Revenue.

In the following tables the Company has reconciled Electric and Gas Adjusted Gross Margin to GAAP Gross Margin, which we believe to be the most comparable GAAP financial measure. GAAP Gross Margin is calculated as Revenue less Cost of Sales, and Depreciation and Amortization. The Company calculates Electric and Gas Adjusted Gross Margin as Revenue less Cost of Sales. The Company believes excluding Depreciation and Amortization, which are period costs and not related to volumetric sales, is a meaningful measure to inform investors of the Company's profitability from electric and gas sales in the period.

#### **Three Months Ended March 31, 2024 (\$ millions)**

	Electric	Gas	Other	Total
Total Operating Revenue	\$ 73.6	\$ 105.1	\$ ---	\$ 178.7
Less: Cost of Sales	(46.5)	(44.1)	---	(90.6)
Less: Depreciation and Amortization	(7.0)	(10.8)	(0.2)	(18.0)
GAAP Gross Margin	20.1	50.2	(0.2)	70.1
Depreciation and Amortization	7.0	10.8	0.2	18.0
Adjusted Gross Margin	\$ 27.1	\$ 61.0	\$ ---	\$ 88.1

#### **Three Months Ended March 31, 2023 (\$ millions)**

	Electric	Gas	Other	Total
Total Operating Revenue	\$ 108.2	\$ 112.0	\$ ---	\$ 220.2
Less: Cost of Sales	(81.5)	(57.1)	---	(138.6)
Less: Depreciation and Amortization	(6.4)	(10.1)	(0.2)	(16.7)
GAAP Gross Margin	20.3	44.8	(0.2)	64.9
Depreciation and Amortization	6.4	10.1	0.2	16.7
Adjusted Gross Margin	\$ 26.7	\$ 54.9	\$ ---	\$ 81.6

Selected financial data for 2024 and 2023 is presented in the following table:

**Unitil Corporation - Condensed Consolidated Financial Data**

(Millions, except Per Share data) (Unaudited)

	Three Months Ended March 31,		
	2024	2023	Change
<b>Electric kWh Sales:</b>			
Residential	179.9	181.3	(0.8%)
Commercial/Industrial	230.0	228.5	0.7%
<b>Total Electric kWh Sales</b>	<b>409.9</b>	<b>409.8</b>	---
<b>Gas Therm Sales:</b>			
Residential	21.2	21.9	(3.2%)
Commercial/Industrial	68.5	69.4	(1.3%)
<b>Total Gas Therm Sales</b>	<b>89.7</b>	<b>91.3</b>	<b>(1.8%)</b>
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<b>Electric Revenues</b>	\$ 73.6	\$ 108.2	\$ (34.6)
Cost of Electric Sales	46.5	81.5	(35.0)
<b>Electric Adjusted Gross Margin</b> (a non-GAAP financial measure <sup>1</sup> ):	<b>27.1</b>	<b>26.7</b>	<b>0.4</b>
<b>Gas Revenues</b>	105.1	112.0	(6.9)
Cost of Gas Sales	44.1	57.1	(13.0)
<b>Gas Adjusted Gross Margin</b> (a non-GAAP financial measure <sup>1</sup> ):	<b>61.0</b>	<b>54.9</b>	<b>6.1</b>
<b>Total Adjusted Gross Margin:</b> (a non-GAAP financial measure <sup>1</sup> ):	<b>88.1</b>	<b>81.6</b>	<b>6.5</b>
Operation & Maintenance Expenses	18.2	18.1	0.1
Depreciation & Amortization	18.0	16.7	1.3
Taxes Other Than Income Taxes	7.7	7.3	0.4
Other Expense (Income), Net	0.3	---	0.3
Interest Expense, Net	7.3	7.1	0.2
<b>Income Before Income Taxes</b>	<b>36.6</b>	<b>32.4</b>	<b>4.2</b>
Provision for Income Taxes	9.4	8.3	1.1
<b>Net Income</b>	<b>\$ 27.2</b>	<b>\$ 24.1</b>	<b>\$ 3.1</b>
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<b>Earnings Per Share</b>	<b>\$ 1.69</b>	<b>\$ 1.51</b>	<b>\$ 0.18</b>