

A worker wearing a hard hat with a bright headlamp and a high-visibility vest is standing in a white bucket, looking upwards. The bucket is part of a crane or lift system. The background is a clear blue sky.

Achieving Our Energy Vision

Annual Meeting of Shareholders

April 28, 2021

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.

About Unitil

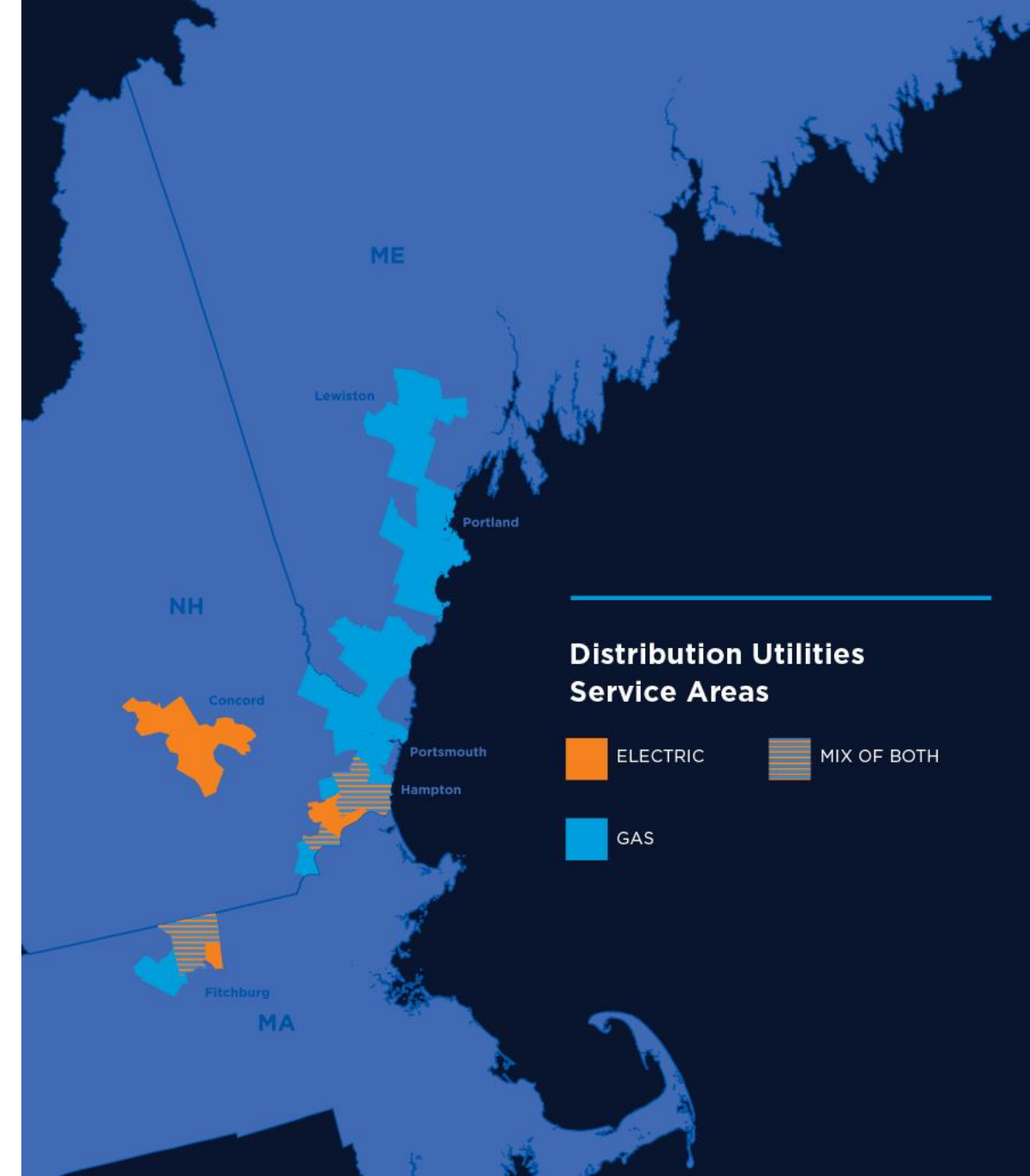
Pure-play New England utility creating long-term sustainable value

We provide energy for life, safely and reliably delivering electricity and natural gas in New England

- Attractive Service Territory with Growing Customer Base
 - New customer additions in electric and natural gas operations
 - Ongoing conversions from competing fuels
- Robust Investment Opportunities in Electric and Natural Gas Distribution Assets
 - Electric grid and gas system modernization
 - System expansions
 - Investments in system resiliency
- Constructive Regulatory Frameworks and Relationships
- Recognized for Operational Excellence in Electric and Natural Gas Operations
- Advancing our ESG Profile

107,100
Electric Customers

85,600
Natural Gas Customers



2020 Highlights

Unitil continued to deliver strong results despite a challenging year

Financial Results

- 2020 Earnings Per Share of \$2.15 despite significant headwinds of historically unfavorable weather and the COVID-19 Pandemic
- Provided shareholders with an uninterrupted annualized common dividend of \$1.50 per share; increased to \$1.52 for 2021

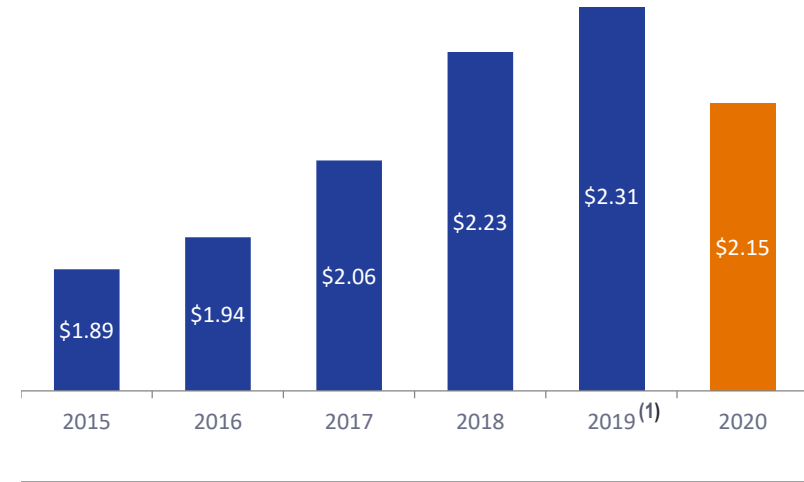
Operational Successes

- Achieved best customer satisfaction ratings ever (#1 in New England)
- Restored electric service quickly and efficiently after numerous storm events; recipient of EEI Emergency Response Award (3rd time in four years)
- Achieved best gas emergency response ever; selected as a Leading Practice Company in the area of emergency response and preparedness by the American Gas Association

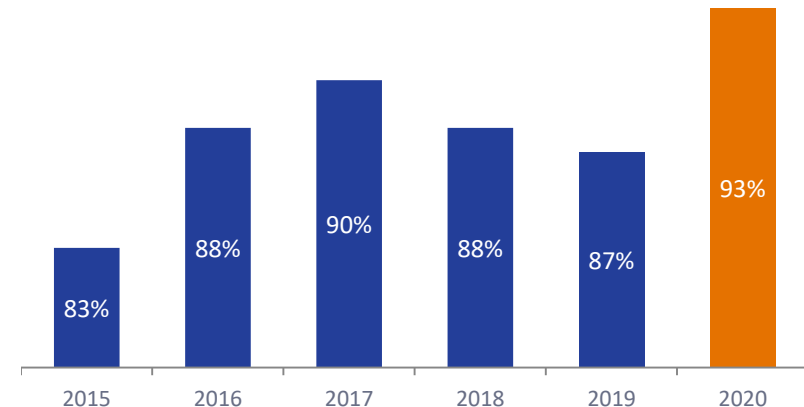
Strategic Priorities

- Maintained long-term investment plan
- Executed regulatory strategy; several successful rate case awards in 2020
- Advanced ESG priorities

Earnings Per Share



Customer Satisfaction



⁽¹⁾ Excluding Usource divestiture one-time gain of \$0.66 per share

2020 Financial Results

Net Income and Earnings Per Share Negatively Affected by Historically Warm Weather and COVID-19

- Excluding the 2019 Usource divestiture, Fiscal Year 2020 net income fell \$2.2 million, or \$0.16 per share, relative to 2019⁽¹⁾
- Historically warm first quarter (2020) weather reduced net income by an estimated \$3.1 million, or \$0.20 per share relative to normal
- Estimated COVID-19 Pandemic impact was (\$1.4) million, or (\$0.09) per share
 - Lower margins offset by lower O&M, tax expenses
 - Margins affected by lower C&I usage, somewhat offset by increased residential usage, higher rates, and customer growth
 - Lower expenses related to reduced travel and healthcare costs, CARES Act tax benefit
- Weather and COVID-19 pandemic impacts are seen as one-time events that will not have a material impact on long-term outlook
 - See diminishing pandemic impact in 2021

| Fiscal Year Ended December 31 | 2020 | 2019 (Excluding Usource Sale) | Variance |
|-------------------------------|--------|-------------------------------|----------|
| Net Income (millions) | \$32.2 | \$34.4 | (\$2.2) |
| Earnings Per Share | \$2.15 | \$2.31 | (\$0.16) |

| First Quarter Weather | 2020 | 2019 | Normal |
|--------------------------|-------|-----------------|----------|
| Effective Degree Days | 3,058 | 3,456 | 3,523 |
| 2020 Variation (EDD) | | (11.5%) | (13.2%) |
| Estimated Weather Impact | | (\$3.1) million | (\$0.20) |

| Fiscal Year 2020 Estimated Pandemic Effects | Net Income | Earnings Per Share |
|---|-----------------|--------------------|
| Natural Gas Sales Margins | (\$1.6) million | (\$0.11) |
| Electric Sales Margins | (\$0.6) million | (\$0.04) |
| Operating and Maintenance Expenses | \$0.4 million | \$0.03 |
| Taxes Other Than Income | \$0.4 million | \$0.03 |
| Estimated Pandemic Impact | (\$1.4) million | (\$0.09) |

(1) Excluding Usource divestiture one-time gain of \$0.66 per share

Putting Customers First

Through a difficult year, delivering exceptional customer service remained a top priority



Customer Satisfaction
is at an all-time high

93%

Customer Satisfaction
Exceeding regional and national benchmarks

1st

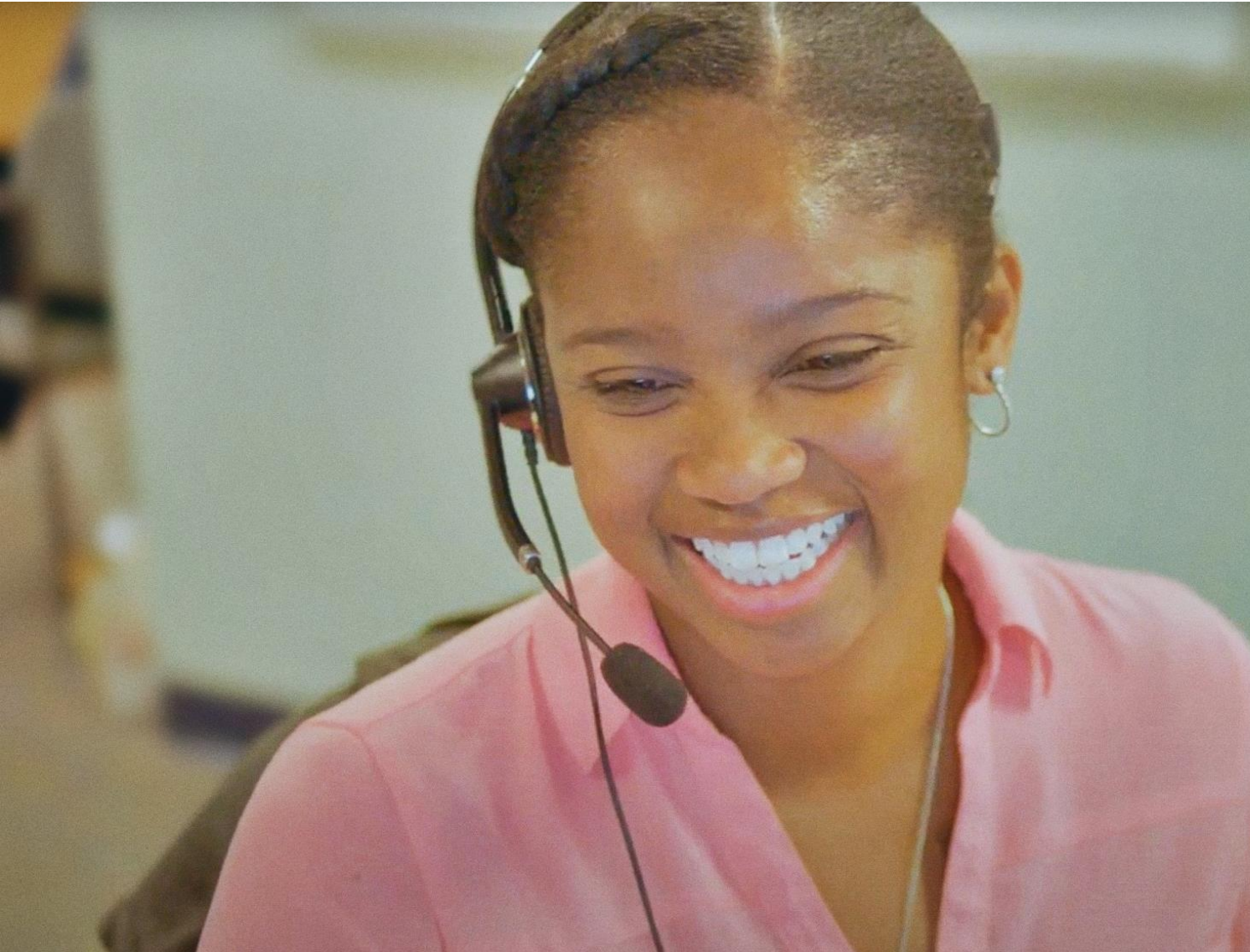
**Top-Ranked in the
Northeast**

Ranked out of eight utilities

**1st
Quartile**

**National customer
satisfaction ranking**

Ranked 10th out of 114 utilities



Operational Excellence Amid COVID-19

Continued improvement in safety and reliability, despite the challenges of the pandemic



Awarded the Edison Electric Institute's Emergency Response Award for the third time in four years



Selected as a Leading Practice Company by the American Gas Association, recognizing superior emergency response and preparedness

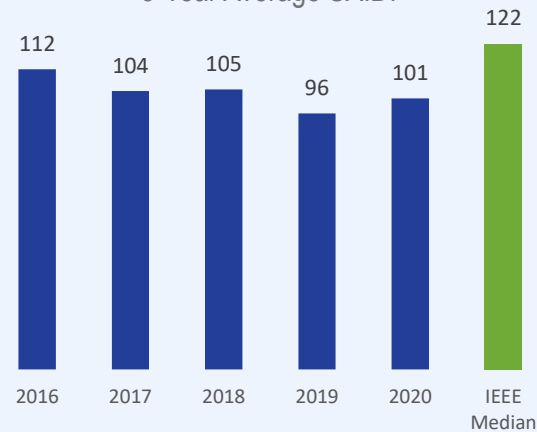


Recognized as a 2020 leader in accident prevention by the American Gas Association



Electric Reliability

5-Year Average SAIDI



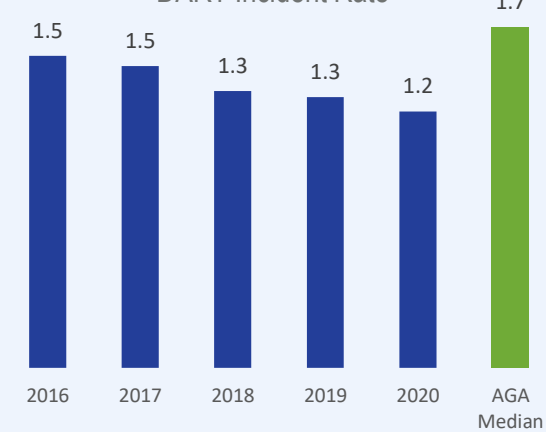
Gas Emergency Response

Average response time in minutes



Employee Safety

DART Incident Rate

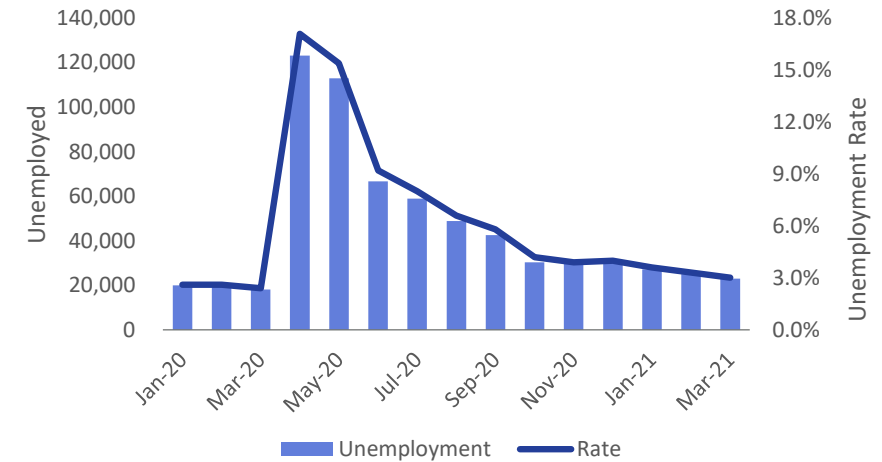


Outlook for Economic Growth

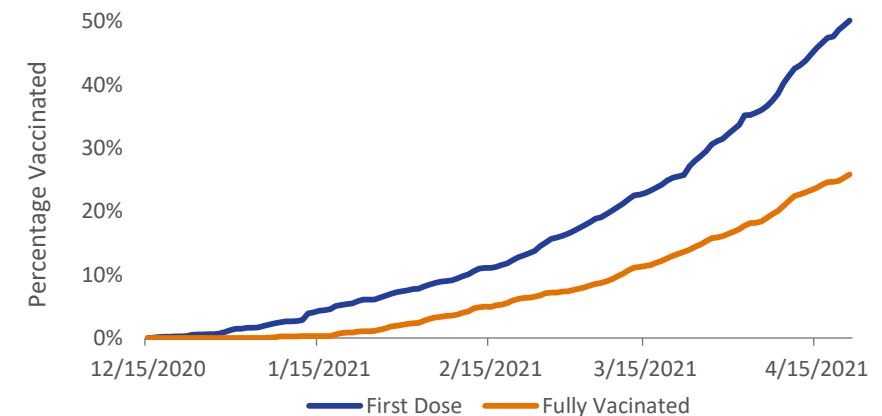
The ingredients are in place for a robust economic recovery

- Employment has almost fully recovered to pre-pandemic levels, even as many small businesses (e.g., restaurants) are only now reopening
 - Labor shortages already being reported
- Vaccination is proceeding quickly and is now available to anyone age 16 and over; high rates of adoption
 - Anyone wanting the vaccine is expected to have first dose by May
 - Expect a “return to normal” in the coming weeks
- Schools fully reopening will provide relief to working parents
 - Working parents will be increasingly able to rejoin workforce
 - Enhanced unemployment benefits end September 6
- Business activity accelerating; summer “tsunami” predicted
 - Signs of “pandemic fatigue” and pent up demand are increasingly visible
 - New Hampshire scheduled to lift all business restrictions on May 7
- Gas and electric sales usage are normalizing, customer arrears are declining
 - See diminishing pandemic impact on Unitil in 2021

New Hampshire Unemployment



Vaccination



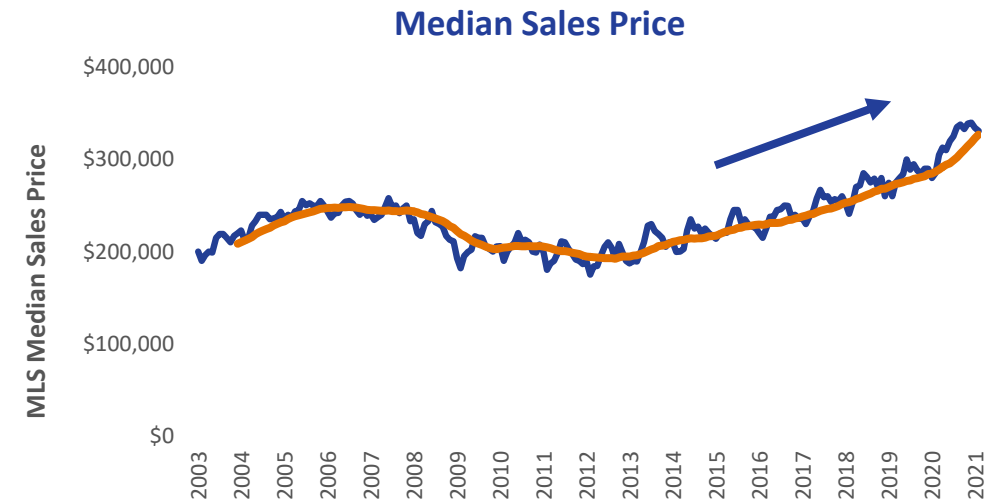
Historic Housing Market

The COVID-19 pandemic has accelerated demand for increasingly scarce housing

Best States for Working from Home

New Hampshire was recently ranked #4 on the list of best states for remote work in a study by WalletHub

- Out-of-state buyers have fueled unprecedented demand for real estate in New Hampshire, Maine and elsewhere
- The local housing market reflects record low inventory and record high median sales price
- Demand for housing is driving a wave of new construction including residential and mixed-use development
- New housing units will support further in-migration from out of state, bolstering already strong business conditions
- Lack of affordable housing and workforce shortages are the two biggest headwinds for local economy

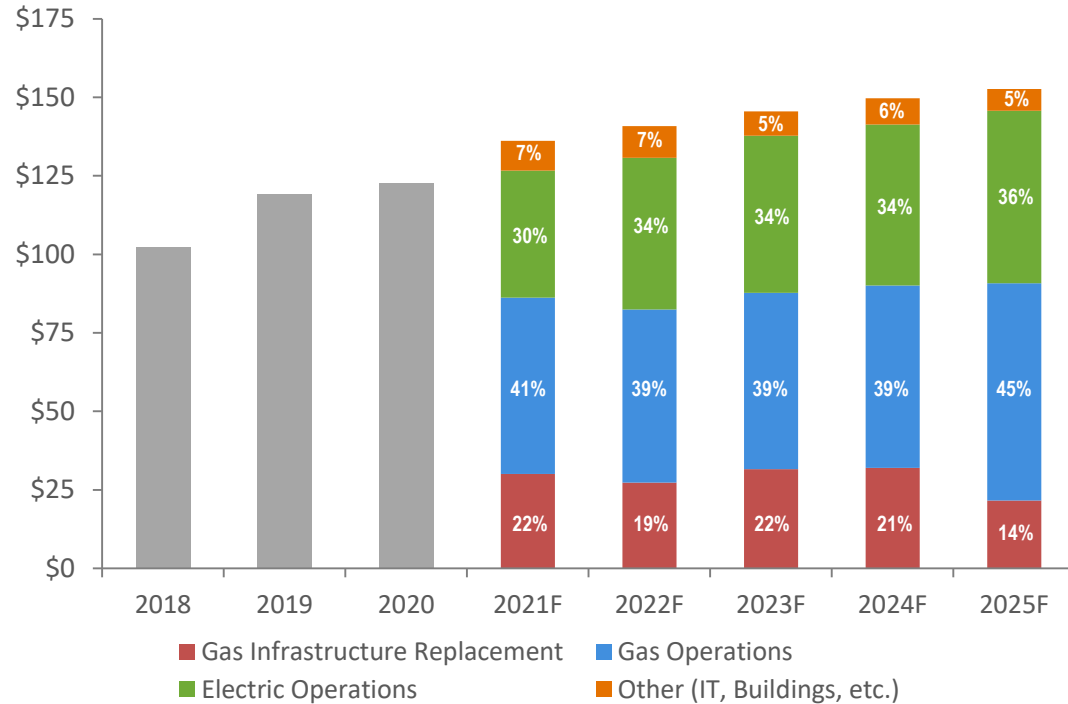


Source: New Hampshire Housing Finance Authority (NHHFA.org), Housing and Demographic Data, MLS Data (<https://www.nhhfa.org/publications-data/housing-and-demographic-data/>)

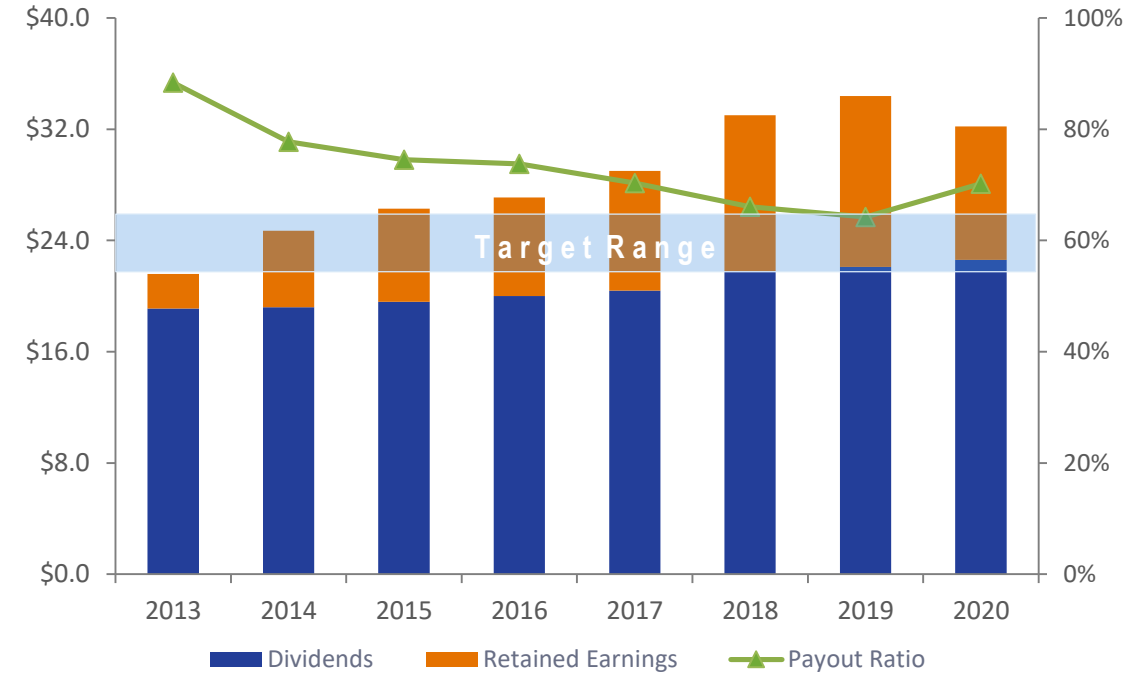
Significant Investment Opportunities

Increasing capital investment to support, expand, and modernize the utility system

Diversified Five-Year Capital Investment Plan of Approximately \$725 Million



Sustainable Dividend Growth Funding Capital Investment and Lowering Payout



- Disciplined investment plan supporting continued rate base growth in line with historical growth of 6.5% to 8.5%
- Roughly 30% increase in coming five years planned capital investment over the prior five years
- Diverse investment portfolio including grid modernization, gas infrastructure replacement, and growth-related projects
- Potential upside revisions include electric vehicle and additional grid modernization investments

Long-Term Sustainable Shareholder Value

Steady and predictable cash flows coupled with robust investment opportunities



Investing in Electric and
Natural Gas Distribution



Investing in the Clean
Energy Transition




Achieving Stable Margins
and Earnings Growth



Fundamental Principles and Beliefs Underlying our Long-Term Strategy

- Energy markets in New England will transition towards low-carbon sources
- Natural gas will continue to play a vital role in providing clean, secure, low-cost energy
- Advancing the electric grid will provide robust capital investment opportunities
- As an electric and gas distribution company in northern New England, Unitil is strongly positioned to contribute to and benefit from evolving climate policies

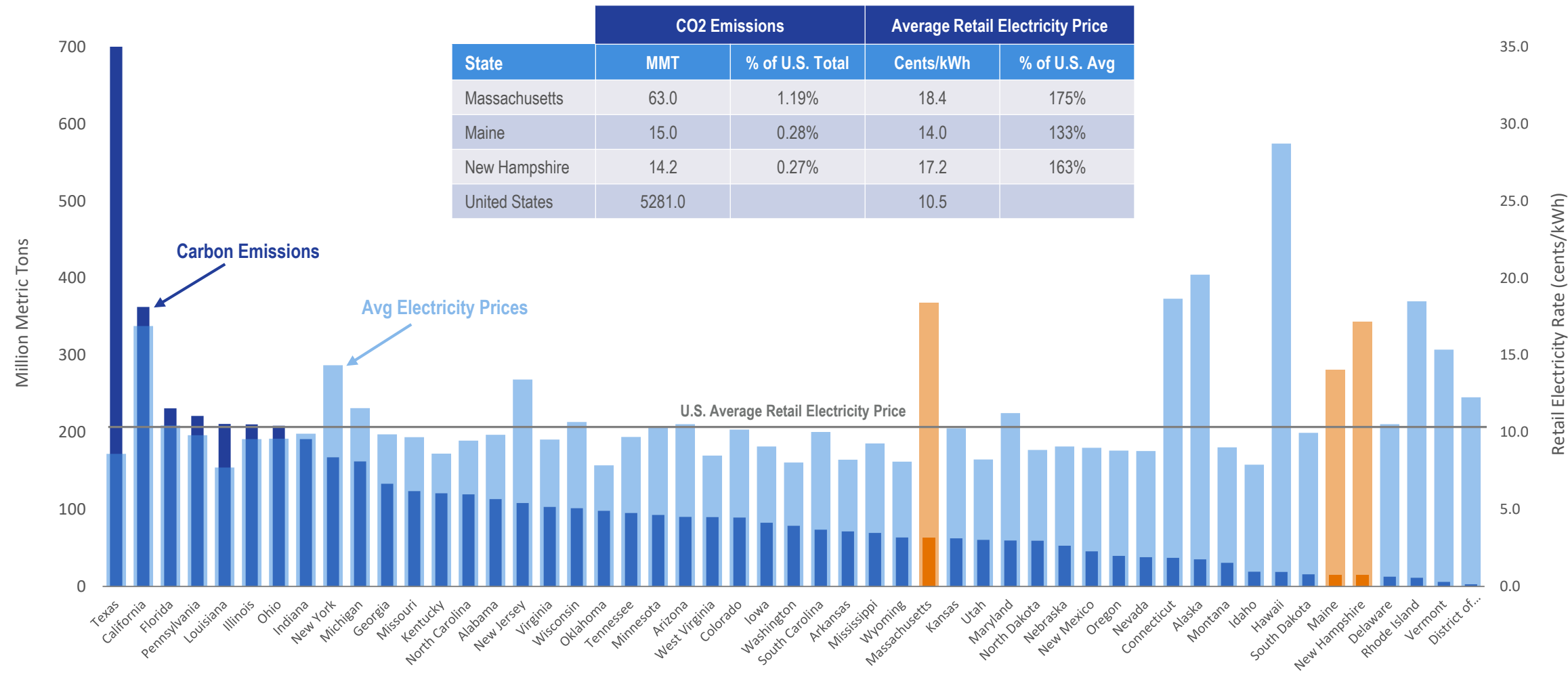


THE CLEAN ENERGY TRANSITION

New England's transition to a low-carbon future

National Context – Carbon Intensity vs Affordability

State energy-related carbon dioxide emissions and average electricity costs



Sources:

- U.S. Energy Information Administration (EIA), Table 2. State energy-related carbon dioxide emissions by year, adjusted (2018) <https://www.eia.gov/environment/emissions/state/>
- EIA State Electricity Profiles (2019) <https://www.eia.gov/electricity/state/>

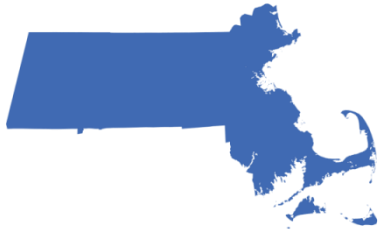
Building a Sustainable Future

State Policies and Climate Goals

American Jobs Plan: \$2.25 trillion infrastructure plan (proposed)

- Proposals include investments in clean energy, electric vehicles, improved resiliency of electric grid

Massachusetts



2050 Decarbonization Roadmap

- Net-zero greenhouse gas emissions by 2050
 - Emissions limit of 50% for 2030, 75% for 2040
- Large procurements of renewable generation
 - Primarily offshore wind, Canadian hydro
 - Continued solar incentives
- Electrification of transportation and heating sectors
- Storage initiative
- Energy efficiency & demand reduction

Maine



Maine Climate Council

- 80% reduction in greenhouse gas emissions by 2050
 - Reduction of 45% below 1990 levels by 2030; carbon neutral by 2045
- 80% renewable generation by 2030
- Electrification of transportation and heating sectors
 - Accelerate transition to electric vehicles
 - Transition to cleaner heating and cooling systems
- Accelerate energy efficiency in buildings

New Hampshire



State Energy Strategy

- Cost effective energy policies
- Preference for market based solutions
- Fuel mix with natural gas and more renewables (offshore wind)
- Cost effective energy efficiency & Demand reduction
- Safe, reliable, resilient system

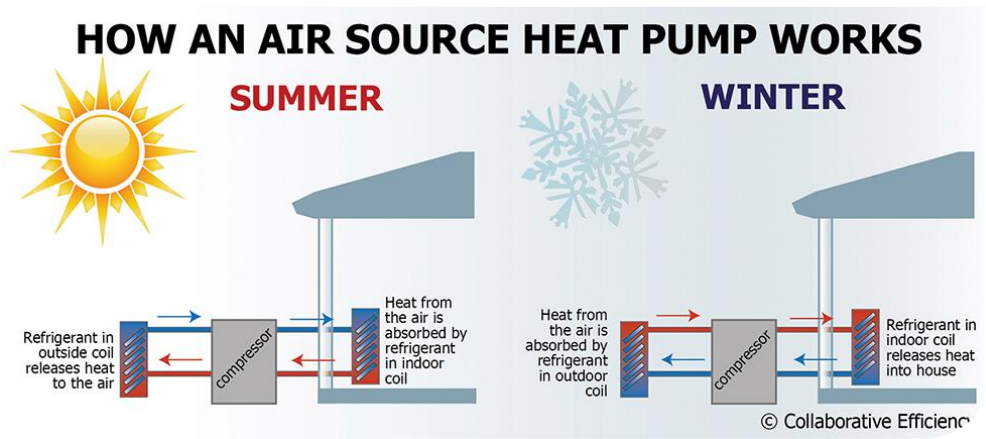
Policy Driven Electrification

Converting vehicles and buildings to electricity is a key policy focus

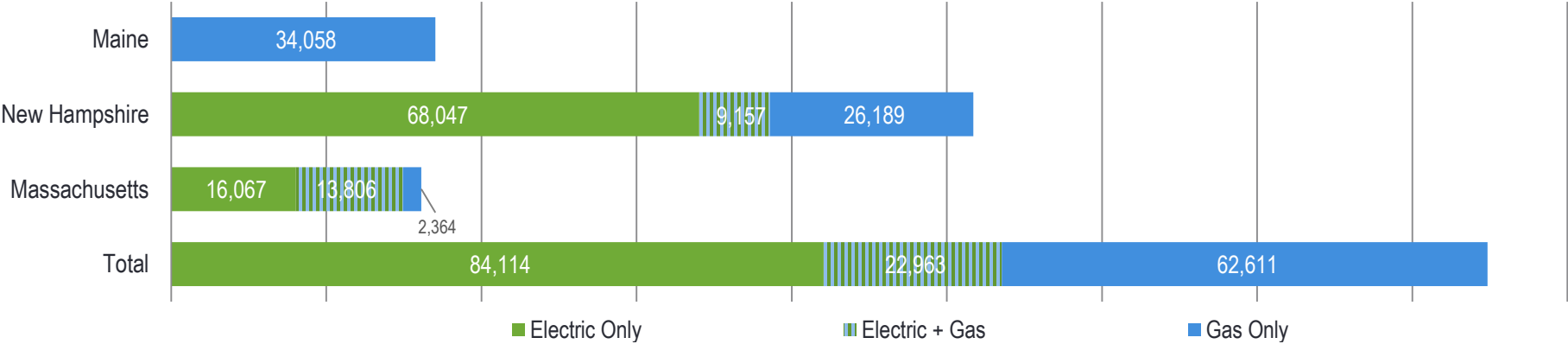
Electric Vehicles



Electric Heat Pumps



Unitil Customer Mix



63%

Percentage of Unitil customers that have Unitil for their electric service



Maine 0%



New Hampshire 75%



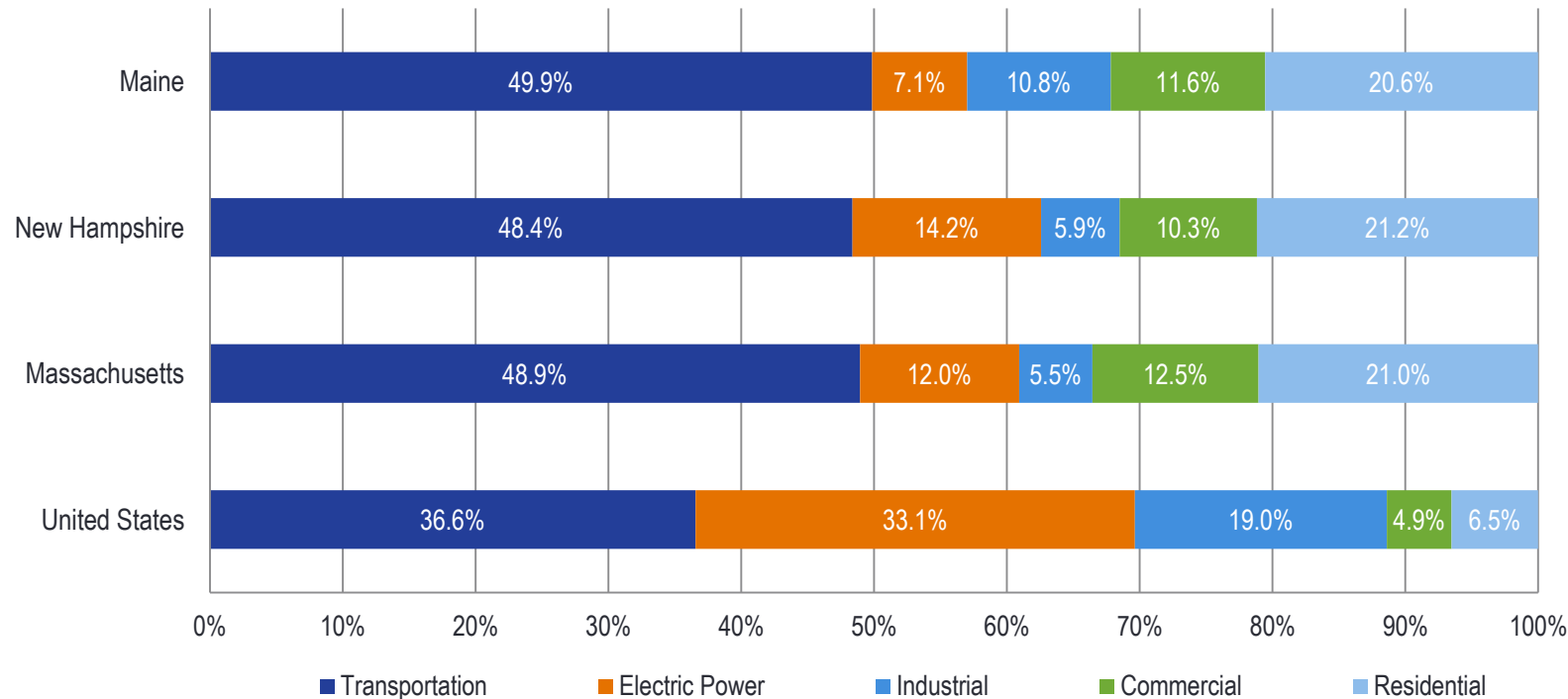
Massachusetts 93%

Transportation is the Biggest Opportunity

As other sectors become “cleaner” a growing proportion of carbon emissions are in transportation

Reducing greenhouse gas emissions from transportation, especially road emissions, represents the greatest opportunity to achieve large reductions in carbon at reasonable cost

Carbon Emissions by Sector



Source: U.S. Energy Information Administration (EIA), Table 4. 2018 State energy-related carbon dioxide emissions by sector <https://www.eia.gov/environment/emissions/state/>



Clean Transportation Alternatives

Unitil is focused on vehicle conversions from petroleum to electricity and natural gas



Electric Vehicles (EVs)

As New England continues to make progress on its emission reduction goals, the transportation sector offers the greatest potential opportunity to make significant gains in the years ahead. Customer interest in electric vehicles (EVs) has never been higher. Unitil continues to support the addition of vehicle charging stations on its system, including Tesla's site with eight Superchargers in Seabrook, New Hampshire. Unitil also continues to work with the New Hampshire Department of Transportation in support of the state's goal of bringing additional charging stations online along the busy I-93 corridor.



Compressed Natural Gas (CNG)

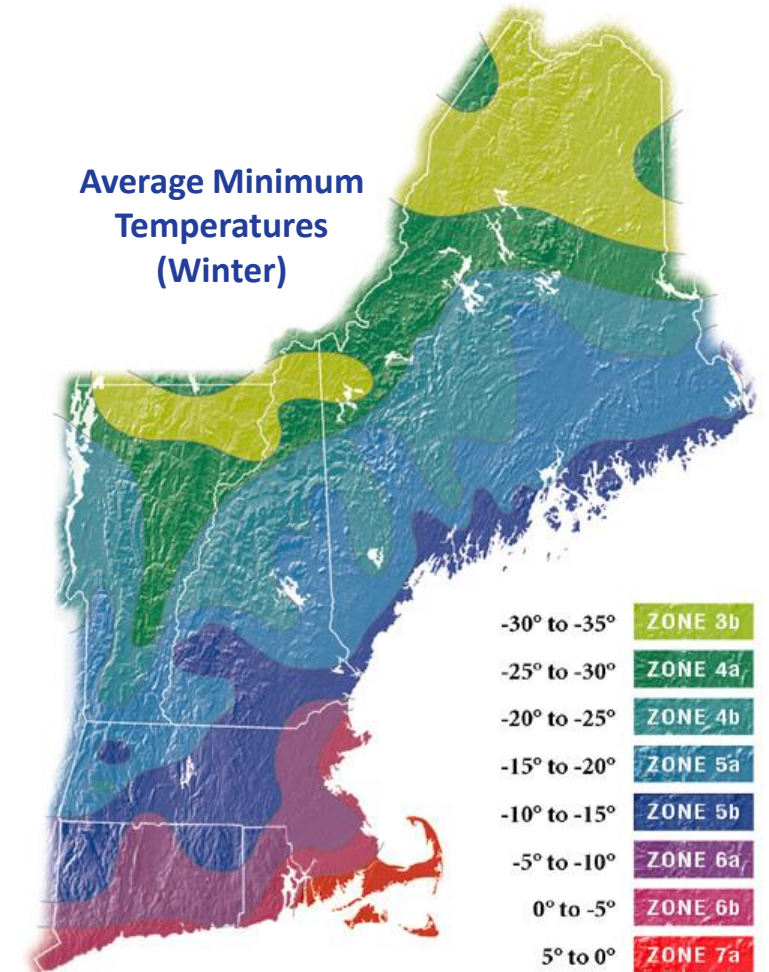
Compressed Natural Gas (CNG) vehicles are also gaining traction in the region. Waste Management, a national waste collection and environmental solutions provider, went live with its own natural gas fueling station in Rochester, New Hampshire in 2020, with plans to convert its 60-truck fleet from diesel to CNG. Waste Management's project, combined with overall growth in the Rochester area, is a primary reason Unitil launched a multi-year project to upgrade the high-pressure feed into the city.



Electricity for Home Heating

Heat pump performance is improving, but supplemental heat still required in most homes

- Cold Climate Heat Pumps (air source) operate efficiently and deliver reliable heat most days of the year
 - Performance declines with ambient temperature
 - Supplemental heat required during extreme cold when heating capacity may be insufficient
 - Most attractive in new construction with tighter building envelopes, better insulation and flexibility in heating system design
- Retrofitting existing homes can be difficult and costly
 - Legacy housing stock not sufficiently insulated to rely solely on heat pump during winter cold snaps
 - In retrofits, the existing furnace or boiler will likely serve as the auxiliary system
- Advanced heating and air conditioning systems fueled by both electricity and natural gas promise similar benefits with no sacrifice of comfort or cost
- Adoption of heat pumps will expand electric load beyond just heating requirements by offering cooling in summer, increasing energy needs



Unitil delivers four times more energy to customers through natural gas pipelines than electric lines. This increases to more than 10X on cold winter days due to the heating requirements of homes and buildings.

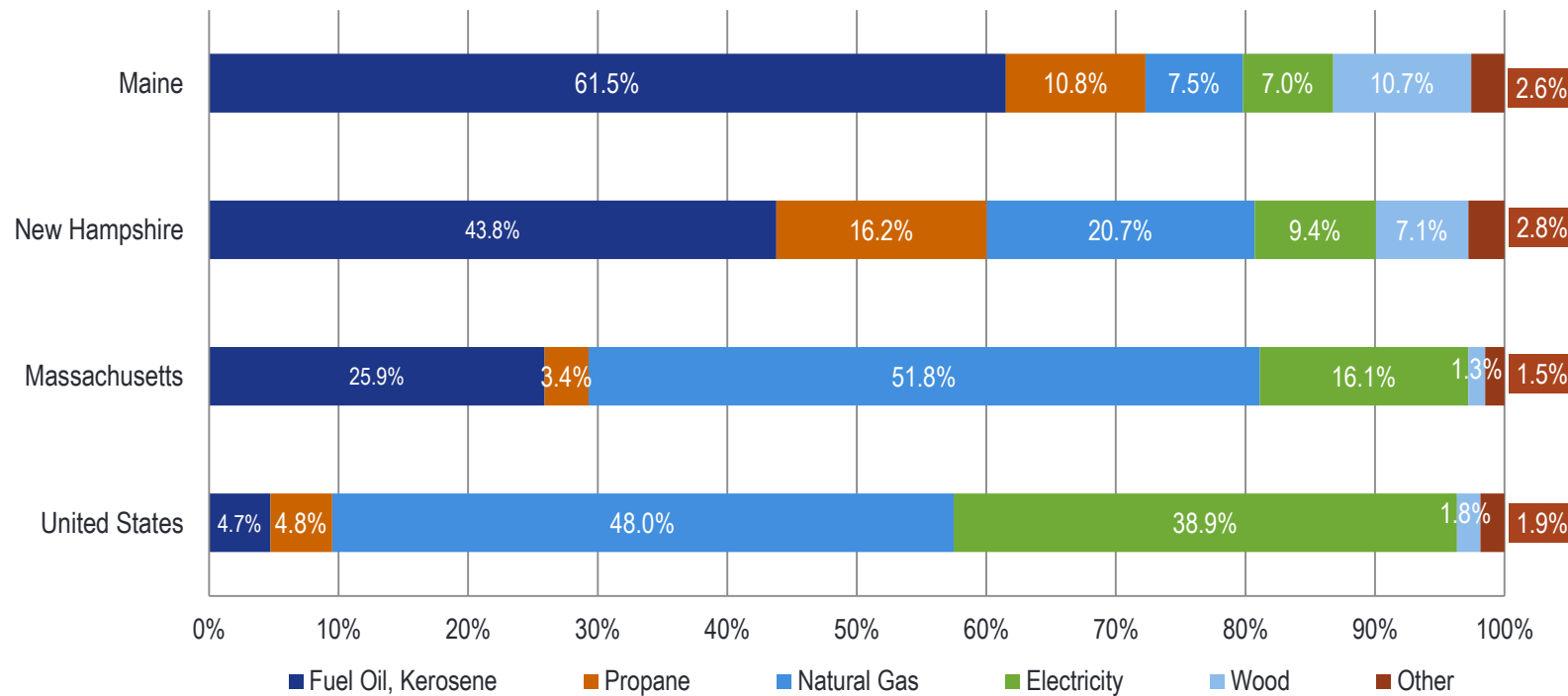
Opportunities for Fuel Switching

High penetration of fuel oil and propane presents opportunities to switch to a fuel that is both cleaner and more affordable



Every 100 homes converted from oil to natural gas is equivalent to removing 55 cars from the road, permanently

Fuels Used for Home Heating



Average Annual Heating Cost



Annual Cost w/ Oil \$2,300

Annual Cost w/ Gas \$1,500

35%

Average residential customer savings

28%

CO2 Reduction

100%

SOx Reduction

79%

NOx Reduction

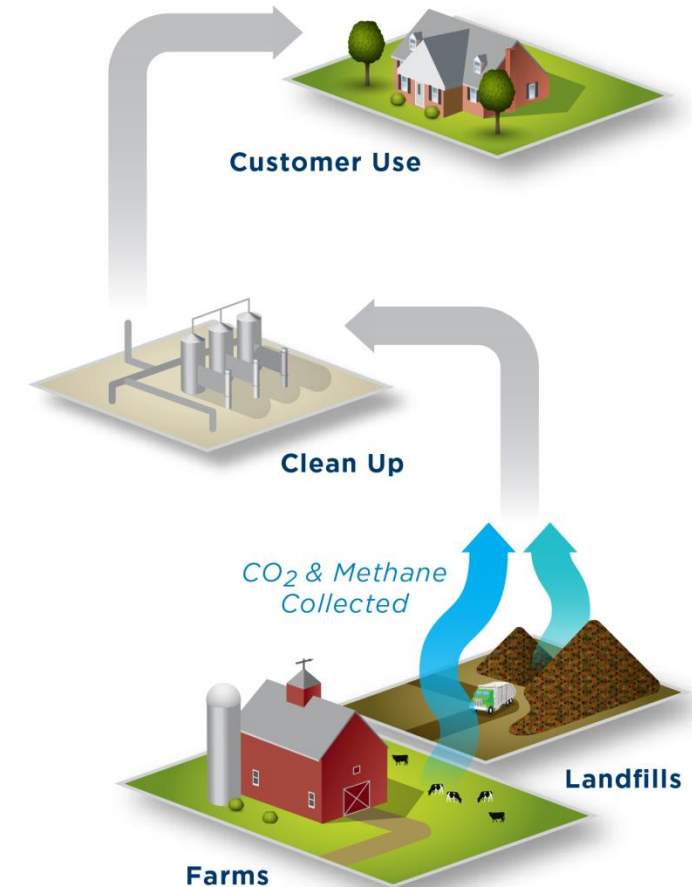
Source: U.S. Census Bureau, American Community Survey, Selected Housing Characteristics, 2019: ACS 5-Year Estimates Data Profiles
<https://www.census.gov/acs/www/data/data-tables-and-tools/data-profiles/>

Decarbonizing the Gas Supply

Renewable Natural Gas (RNG) and hydrogen offer opportunities to deliver carbon-neutral gas

- Renewable Natural Gas (RNG), also known as biomethane or biogas, is a pipeline-quality gas made from organic waste (the gaseous product of the decomposition of organic matter)
- Hydrogen produced from renewable electricity used to split water into hydrogen and oxygen, also known as “power-to-gas” and “green hydrogen”, can be blended with natural gas or methanized to create synthetic natural gas
 - Can expand the development of solar and wind power by providing a way to store or use excess renewable energy when it is not needed
- As customer volumes decrease due to electrification, efficiency measures and policy action, RNG and hydrogen will become more significant contributors to supply
 - Can be used to displace fossil fuel use in hard-to-abate sectors
- Unitil expects revenues to become increasingly independent of sales volumes through revenue decoupling ratemaking
 - Freedom to offer customers clean, affordable and reliable energy options tailored to their needs, whether electric or gas

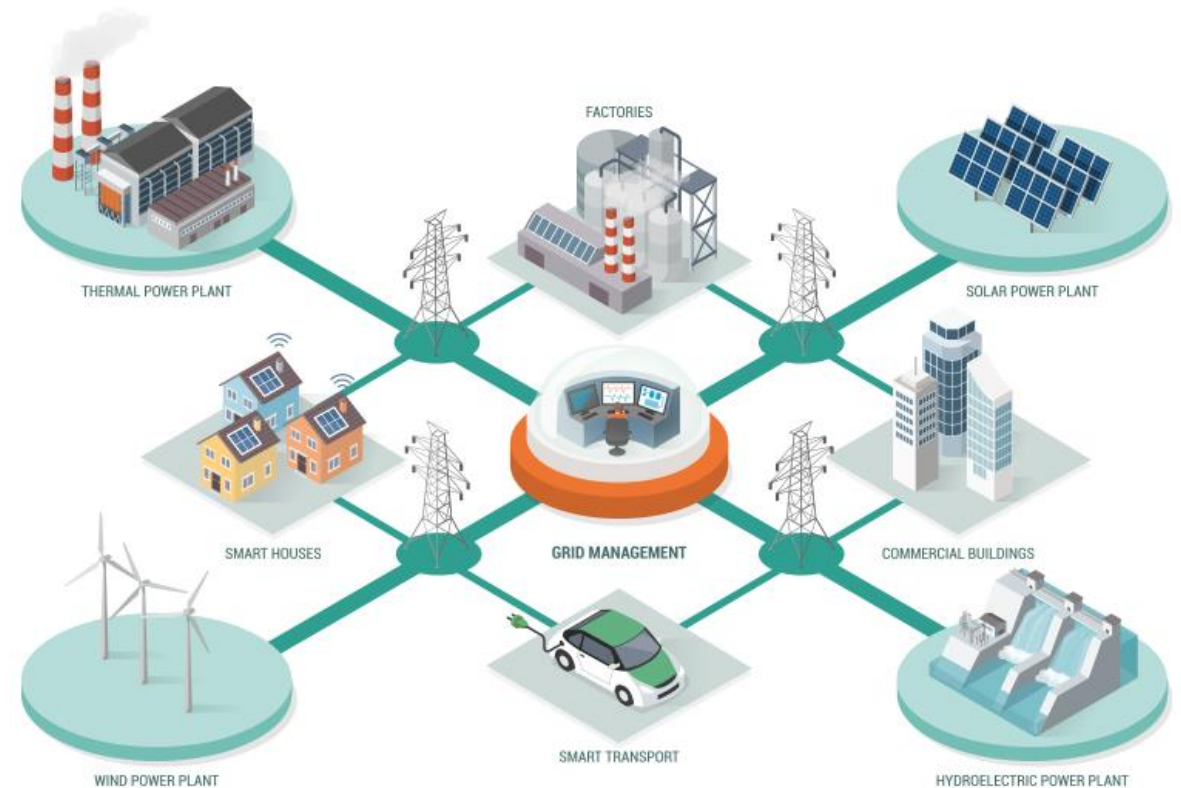
Renewable Natural Gas



Advancing the Grid

A smart, reliable, affordable and flexible electric grid is foundational to a clean energy future

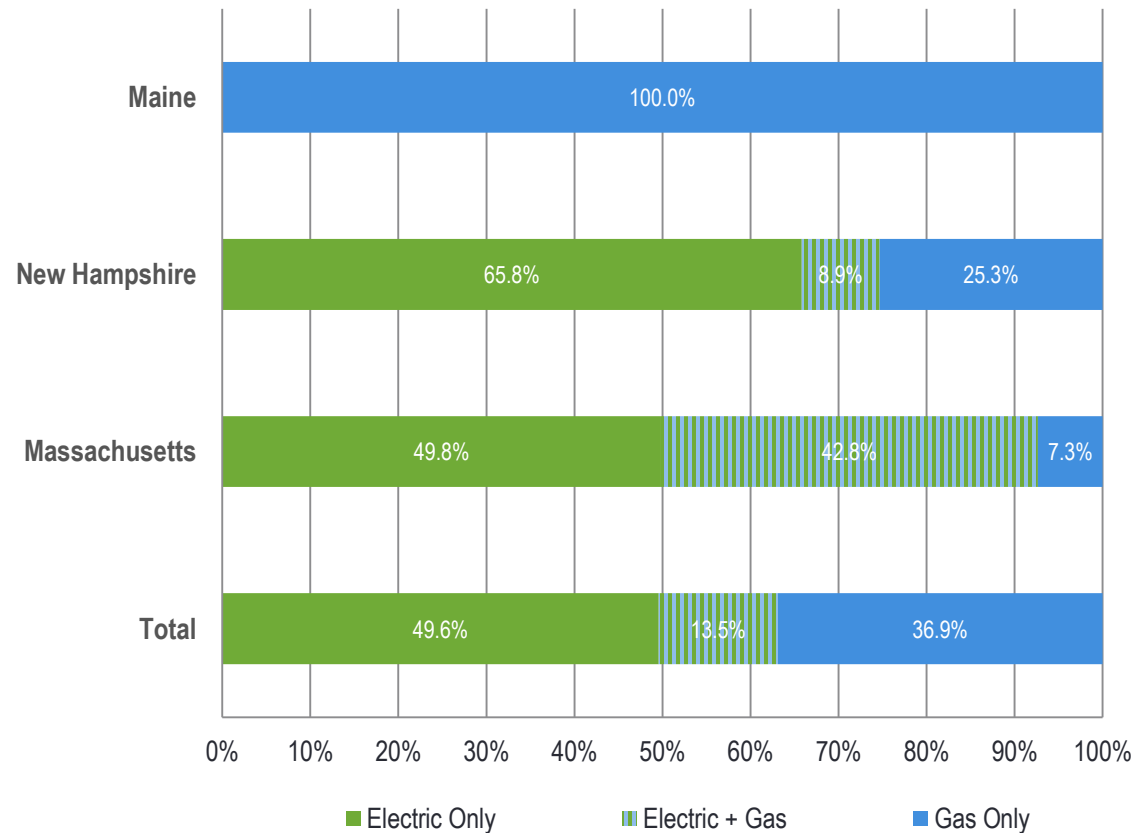
- Foundational Objectives
 - Deliver safe and reliable service meeting the expectations of today's customers, and the needs of a 21st Century economy
 - Engage customers and encourage their active participation in energy markets by enabling the easy adoption of new technologies and services so they can better manage their energy needs
 - Reduce the environmental impact of electricity generation by seamlessly integrating all types of generation and storage options, and by improving efficiency and optimizing demand
 - Support the interconnection and business models of third parties and encourage innovation
- Ongoing Projects and Initiatives
 - Advanced distribution management system
 - Advanced field communications to support grid intelligence
 - Advanced metering and data management systems
 - Supervisory control and data acquisition and Volt-Var optimization
 - Electric vehicle make-ready programs



Opportunities – Both Gas and Electric

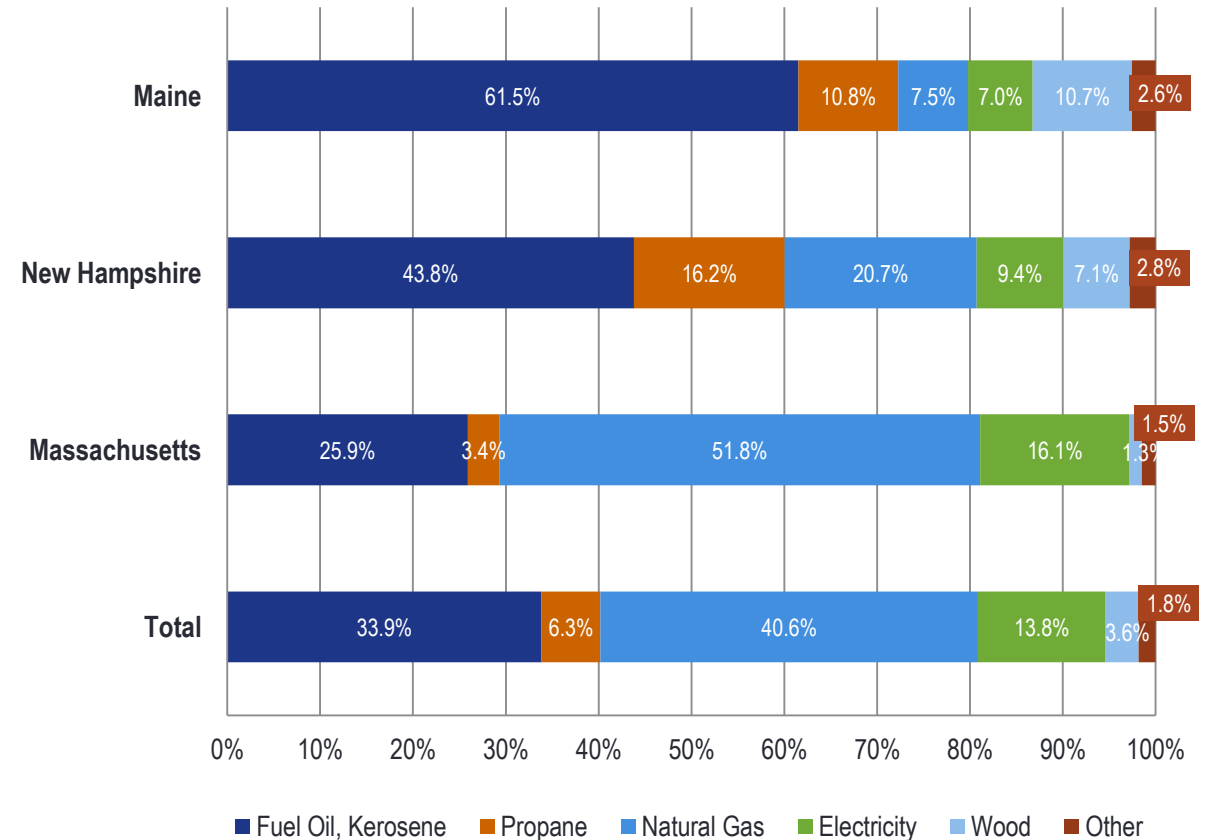
Unitil is well positioned to benefit from climate policies on both sides of our business

Unitil Customer Mix



Source: Unitil customer data as of 12/31/2020

Fuels Used for Home Heating



Source: U.S. Census Bureau, American Community Survey, Selected Housing Characteristics, 2019: ACS 5-Year Estimates Data Profiles (<https://www.census.gov/acs/www/data/data-tables-and-tools/data-profiles/>)

Questions?

