



FINANCIAL AND STRATEGIC UPDATE

Second Quarter 2021

August 3rd, 2021



Forward-Looking Statements and Use of Non-GAAP Measures

This presentation contains “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included in this presentation are forward-looking statements. 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 words 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: the coronavirus (COVID-19) pandemic, which could adversely impact Unitil’s business, financial conditions, results of operations and cash flows, including by disrupting Unitil’s employees’ and contractors’ ability to provide ongoing services to Unitil, by reducing customer demand for electricity or natural gas, or by reducing the supply of electricity or natural gas; Unitil’s regulatory and legislative environment (including laws and 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; declines in the valuation of capital markets, which could require Unitil to make substantial cash contributions to cover its pension obligations, and Unitil’s ability to recover pension obligation costs in its rates; general economic conditions, which could adversely affect (i) Unitil’s customers and, consequently, the demand for Unitil’s distribution services, (ii) the availability of credit and liquidity resources and (iii) certain of Unitil’s counterparty’s obligations (including those of its insurers and lenders); Unitil’s ability to obtain debt or equity financing on acceptable terms; increases in interest rates, which could increase Unitil’s interest expense; restrictive covenants contained in the terms of Unitil’s and its subsidiaries’ indebtedness, which restrict certain aspects of Unitil’s business operations; variations in weather, which could cause unanticipated changes in demand for Unitil’s distribution services; long-term global climate change, which could cause unanticipated changes in customer demand or cause extreme weather events that could disrupt Unitil’s electric and natural gas distribution services; cyber-attacks, acts of terrorism, acts of war, severe weather, a solar event, an electromagnetic event, a natural disaster, the age and condition of information technology assets, human error, or other factors could disrupt Unitil’s operations and cause Unitil to incur unanticipated losses and expense; outsourcing of services to third parties, which could expose Unitil to substandard quality of service delivery or substandard deliverables, which may result in missed deadlines or other timeliness issues, non-compliance (including with applicable legal requirements and industry standards) or reputational harm, which could negatively impact our results of operations; 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; increased competition; unforeseen or changing circumstances, which could adversely impact the reduction of company-wide greenhouse gas emissions; other presently known or unforeseen factors; 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, 2020.

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.

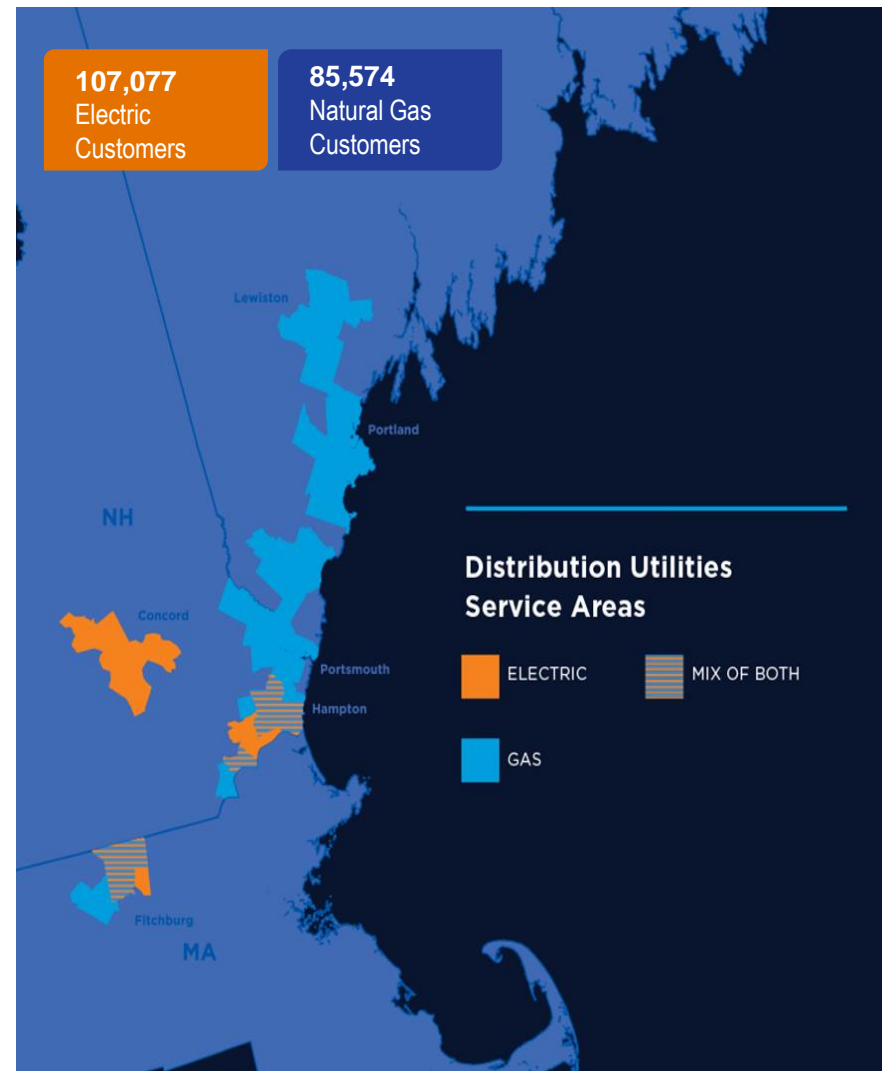
This presentation contains Non-GAAP measures. The Company’s management believes these measures are useful in evaluating its performance. Reconciliations of Non-GAAP financial measures to the most directly comparable GAAP financial measures can be found herein.

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 a Growing Customer Base
 - New customer additions in Electric and Natural Gas operations
 - Continued conversions from competing fuels
 - Service areas well positioned for continued economic growth
- Robust Investment Opportunities in Electric and Natural Gas Distribution Assets
 - Electric Grid and Gas System Modernization
 - System Expansions
 - Investments in system resiliency
- Strategic Regulatory Filings
 - Recently filed Multi-Year Rate applications for New Hampshire Electric and Natural Gas operations



Second Quarter Results and Strategic Rate Filings

Strong financial results and continued execution of strategic plan

Solid Quarterly and Year-to-Date Financial Results

- Quarterly Net Income of \$2.7 million or \$0.18 per share
- Year-to-Date Net Income of \$21.6 million or \$1.44 per share
 - \$0.21 per share increase compared to 2020

Maintain Expected Long-Term EPS Growth Rate of 5% - 7%

- 2021 EPS expected above higher end of long-term growth range relative to 2020
- Capital Investment Plan remains on track
- Maintain expected long-term Rate Base Growth of 6.5% - 8.5%

Net-Zero Emissions target by 2050

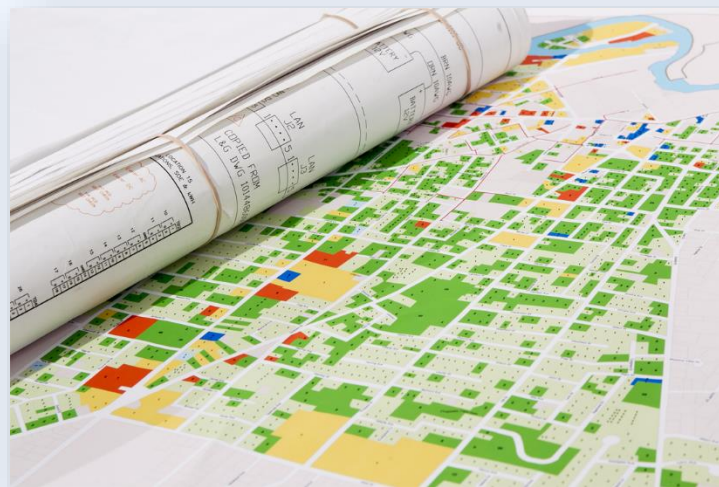
- Target reflects our commitment to environmental stewardship, sustainability, and corporate responsibility
- Committed to advancing our ESG Profile

Northern Utilities (NH) Rate Case filed on August 2, 2021

- Requested base rate increase of \$7.8 million
- Temporary rates of \$3.2 million requested for October 1st
- Multi-year Rate Plan with Revenue Decoupling

Unitil Energy Systems Rate Case Filed on April 2, 2021

- Requested base rate increase of \$12.0 million
- \$4.5 million temporary rates became effective June 1st
- Multi-year Rate Plan with Revenue Decoupling
- Electric Vehicle Infrastructure Investments and Time of Use Rates



Advancing ESG Profile and Commitment to Net-Zero Emissions

Aligning business strategies with ESG expectations of stakeholders

Sustainability Throughout the Enterprise

- June 21, 2021 announcement to reduce Company-wide direct greenhouse gas emissions from 2019 levels by at least 50 percent by 2030; net-zero by 2050
- Action underpins our ongoing mission and leadership in environmental stewardship
- We will continue to work with customers, policymakers and industry leaders to reduce emissions from the energy supply delivered to customers

Accelerating Investments in Grid Modernization

- Investing in enabling technologies to allow for a greener and more efficient power grid
- Allow for the inflow of renewable energy generation and non-wire alternative and increase customer usage transparency

Clean Fuel Alternatives

- Investigating Renewable Natural Gas supply alternatives



2020 Corporate Sustainability & Responsibility Report

Issued in the fourth quarter of 2020

Second Quarter and Year-to-Date Financial Results

Net Income and Earnings Per Share

Second quarter 2021 Net Income of \$2.7 million, or \$0.18 per share

- Net Income decrease of \$0.4 million, or \$0.03 per share, relative to the second quarter of 2020
- Higher adjusted gross margins ⁽¹⁾ offset by higher operating expenses

Year-to-Date 2021 Net Income of \$21.6 million, or \$1.44 per share

- Net Income increase of \$3.3 million, or \$0.21 per share, relative to the first half of 2020
- Strong year-over-year earnings growth driven by higher natural gas and electric adjusted gross margins ⁽¹⁾

	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Net Income (\$ millions)	\$2.7	\$3.1	\$21.6	\$18.3
Earnings Per Share	\$0.18	\$0.21	\$1.44	\$1.23

(1) Adjusted gross margin is a non-GAAP financial measure. Reconciliation from non-GAAP financial measures to GAAP financial measures are provided at the end of the presentation

Electric Sales Volume and Adjusted Gross Margin Variances

Year-over-year variances in units, customers, and adjusted gross margin

2021 to 2020 (Year-to-Date)			
Unit Sales	Weather Normalized Unit Sales ⁽¹⁾	Customers	Adjusted Gross Margin ⁽²⁾
3.0% Increase	1.3% Increase	0.8% Increase	5.5% Increase

Unit Sales

- Higher residential unit sales of 2.8%
- Higher C&I unit sales of 3.1% supported by customer growth and improving economic conditions

Adjusted Gross Margin⁽²⁾ Increase \$2.5 Million

- Higher rates of \$1.0 million
- Higher sales of \$1.5 million due to the favorable effects of customer growth, warmer early summer weather, and colder winter weather

(1) Weather normal unit sales excludes decoupled sales

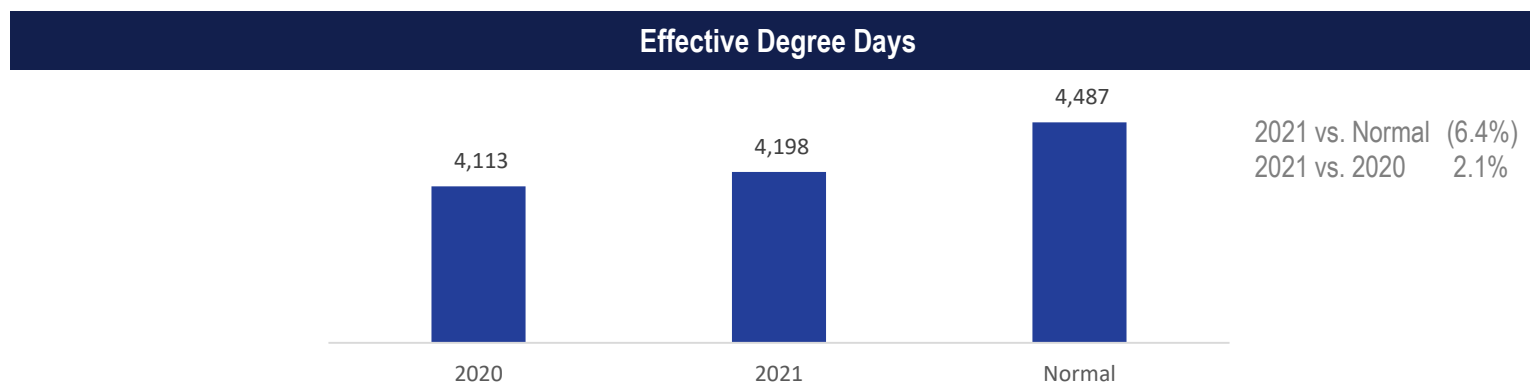
(2) Adjusted gross margin is a non-GAAP financial measure. Reconciliation from non-GAAP financial measures to GAAP financial measures are provided at the end of the presentation

Natural Gas Sales Volume and Adjusted Gross Margin Variances

Year-over-year variances in units, customers, and adjusted gross margin

2021 to 2020 (Year-to-Date)			
Unit Sales	Weather Normalized Unit Sales ⁽¹⁾	Customers	Adjusted Gross Margin ⁽²⁾
4.2% Increase	2.4% Increase	1.4% Increase	11.5% Increase

Unit Sales	Adjusted Gross Margin ⁽²⁾ increase \$7.5 Million
<ul style="list-style-type: none"> Increase in unit sales primarily reflects the colder winter weather, which was 2.1% colder than 2020 Customers served increased by 1,200 over prior year 	<ul style="list-style-type: none"> Higher rates of \$5.1 million Higher sales of \$2.4 million due to the net favorable effect of customer growth, colder winter weather and warmer spring weather



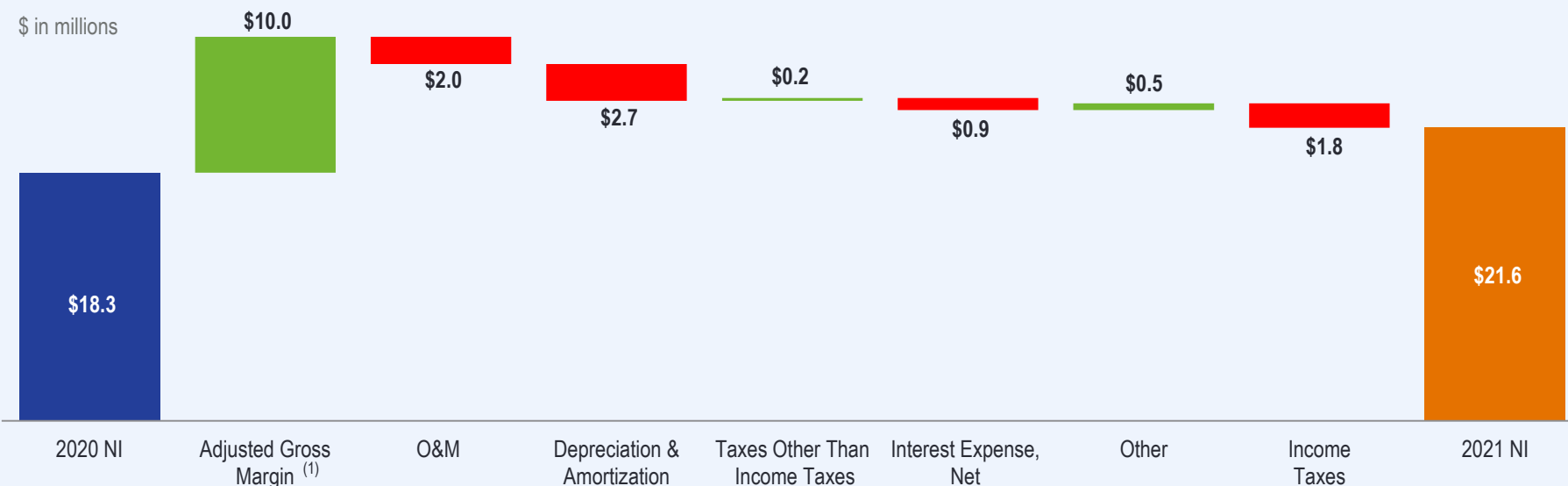
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Year-to-Date Earnings Reconciliation

Variances to prior period earnings

- **Adjusted Gross Margin⁽¹⁾** increased \$10.0 million as a result of higher prices, colder winter weather, and customer growth
- **Operating and Maintenance Expenses** increased \$2.0 million largely due to higher utility operating costs, higher labor costs and higher professional fees
- **Depreciation and Amortization** increased \$2.7 million reflecting higher levels of utility plant in service
- **Taxes Other Than Income Taxes** decreased \$0.2 million reflecting lower payroll taxes, partially offset by higher local property taxes on higher levels of utility plant in service
- **Net Interest Expense** increased \$0.9 million reflecting higher levels of long-term debt, partially offset by lower rates on lower levels of short-term borrowings
- **Other Expenses** decreased \$0.5 million reflecting lower retirement benefit and other costs
- **Income Taxes** increased \$1.8 million reflecting higher pre-tax earnings in the period



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Regulatory Update

New Hampshire Rate Filings at Unitil Energy Systems and Northern Utilities

New Hampshire Applications include Revenue Decoupling Proposals and Multi-Year Rate Plans

- Northern (**NH Gas**) rate case filed August 2nd
 - \$7.8 million base rate increase proposal; \$3.2 million temporary rate request
 - Multi-year rate plan recovering non-growth investments made in 2021 - 2023
 - Revenue Per Customer decoupling proposal allows Company to retain new customer revenue
- Unitil Energy (**NH Electric**) rate case filed on April 2nd
 - \$12.0 million base rate increase proposal; \$4.5 million temporary rates effective 6/1/2021
 - Multi-year rate plan recovering non-growth investments made in 2021 - 2023
 - Revenue Per Customer decoupling proposal allows Company to retain new customer revenue
 - Proposes EV related investments and time-of-use rate structure
- Rate case filings will support return on equity metrics at Unitil Energy Systems and Northern Utilities

82%

Expected customers under
Decoupled Rate Structures
after NH rate filings



24%

Customers currently under
Decoupled Rate Structures

Expected Regulatory Timeline

April 2, 2021



UES general base
rate case filed

Second Half, 2021



NU NH general base rate case
filed, and temporary rates
effective at UES and NU NH

First Half, 2022



UES rate case order
received and new base
rates take effect

Second Half, 2022



NU NH rate case
order received and
new base rates
take effect

2023



NH rate plans
ongoing and fully
decoupled rates



Creating Long-Term Sustainable Value

Growing, stable cash flows coupled with robust investment opportunities



Continued Growth in Electric and Natural Gas Distribution

Electric customer growth of 0.9% and gas customer growth of 1.9% relative to the same period in 2020; vibrant local economies and capital investments supporting continued growth



Investing in the Clean Energy Future

Distribution system replacement and modernization, continuing operating efficiencies reducing greenhouse gas emissions consistent with our greenhouse gas reduction commitments



Creating More Stable Adjusted Gross Margins and Earnings Growth

Revenue decoupling de-risks sales volumes; multi-year rate structures and capital tracking mechanisms provide timely recovery of capital investments

Sustainable Value Creation

6.5% - 8.5%

Expected Long-Term Rate Base Growth

5% - 7%

Expected Long-Term EPS Growth

55% - 65%

Targeted Long-Term Dividend Payout Ratio

Fundamental Principles and Beliefs Underlying our Long-Term Strategy

- As a combination Electric and Gas distribution company operating in northern New England, Unitil is uniquely positioned to contribute to, and benefit from evolving climate policies
- Net-Zero emissions commitment by 2050 reflects our goal to become a leader in environmental stewardship
- Advancing the electric grid will provide robust capital investment opportunities
- Natural gas, Renewable Natural Gas, and gas distribution assets will continue to be vital in providing clean, secure, low-cost energy



Appendix

GAAP Return on Average Common Equity

GAAP Return on Equity over the last twelve months

Company	Average Common Equity	LTM ROACE ⁽¹⁾
Northern Utilities	\$234 Million	7.1%
Unitil Energy Systems	\$105 Million	8.1%
Fitchburg Gas and Electric	\$92 Million	10.2%
Granite State Gas	\$20 Million	9.4%
Unitil Corporation	\$393 Million	9.0%

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

Rate Relief Summary

Successful regulatory strategy resulting in awards from both capital trackers and rate cases

Company	Activity	Dollars (Millions)	Date Effective
Northern Utilities (New Hampshire)	Base Rate Case Increase	\$7.8 (requested)	Q3 2022 (expected)
	Temporary Rate Case Increase ⁽¹⁾	\$3.2 (requested)	Q3 2021 (expected)
Northern Utilities (Maine)	Capital Tracker – 2021	\$1.1	Q2 2021
Unitil Energy Systems	Base Rate Case Increase	\$12.0 (requested)	Q2 2022 (expected)
	Temporary Rate Case Increase ⁽¹⁾	\$4.5	Q2 2021
Fitchburg (Electric)	Electric Capital Tracker	\$1.4	Q1 2021
Fitchburg (Gas)	Base Rate Case Award – 2021 ⁽²⁾	\$0.9	Q1 2021
	Gas Capital Tracker – 2021	\$0.5	Q2 2021
Granite State Gas	Capital Tracker – 2021	\$0.1	Q3 2021

(1) Temporary Rates effective during pendency of Base Rate case; increases are subject to recoupment or refund

(2) Fitchburg Gas Base Rate Case Award reflects the deferred distribution rate increase pursuant to the approved Settlement Agreement in DPU 19-131

GAAP Reconciliation of Adjusted Gross Margin

Three Months Ended June 30

Three Months Ended June 30, 2021 (\$ millions)

	Gas	Electric	Non-Regulated and Other	Total
Total Operating Revenue	\$ 40.0	\$ 56.6	\$ ---	\$ 96.6
Less: Cost of Sales	(15.0)	(32.3)	---	(47.3)
Less: Depreciation and Amortization	(8.2)	(6.4)	(0.2)	(14.8)
GAAP Gross Margin	16.8	17.9	(0.2)	34.5
Depreciation and Amortization	8.2	6.4	0.2	14.8
Adjusted Gross Margin	\$ 25.0	\$ 24.3	\$ ---	\$ 49.3

Three Months Ended June 30, 2020 (\$ millions)

	Gas	Electric	Non-Regulated and Other	Total
Total Operating Revenue	\$ 33.7	\$ 50.2	\$ ---	\$ 83.9
Less: Cost of Sales	(10.8)	(27.8)	---	(38.6)
Less: Depreciation and Amortization	(7.4)	(5.9)	(0.2)	(13.5)
GAAP Gross Margin	15.5	16.5	(0.2)	31.8
Depreciation and Amortization	7.4	5.9	0.2	13.5
Adjusted Gross Margin	\$ 22.9	\$ 22.4	\$ ---	\$ 45.3

GAAP Reconciliation of Adjusted Gross Margin

Six Months Ended June 30

Six Months Ended June 30, 2021 (\$ millions)

	Gas	Electric	Non-Regulated and Other	Total
Total Operating Revenue	\$ 118.7	\$ 116.7	\$ ---	\$ 235.4
Less: Cost of Sales	(45.9)	(68.7)	---	(114.6)
Less: Depreciation and Amortization	(16.4)	(12.9)	(0.4)	(29.7)
GAAP Gross Margin	56.4	35.1	(0.4)	91.1
Depreciation and Amortization	16.4	12.9	0.4	29.7
Adjusted Gross Margin	\$ 72.8	\$ 48.0	\$ ---	\$ 120.8

Six Months Ended June 30, 2020 (\$ millions)

	Gas	Electric	Non-Regulated and Other	Total
Total Operating Revenue	\$ 103.9	\$ 110.4	\$ ---	\$ 214.3
Less: Cost of Sales	(38.6)	(64.9)	---	(103.5)
Less: Depreciation and Amortization	(14.8)	(11.8)	(0.4)	(27.0)
GAAP Gross Margin	50.5	33.7	(0.4)	83.8
Depreciation and Amortization	14.8	11.8	0.4	27.0
Adjusted Gross Margin	\$ 65.3	\$ 45.5	\$ ---	\$ 110.8