

# INVESTOR PRESENTATION

September 2020



# FORWARD LOOKING STATEMENT

**As an introduction to the information we will be discussing, please be aware that some of our comments can be considered forward-looking statements as defined by the federal securities laws and as outlined in the Company's SEC filings. As such, any forward-looking statements are based on currently available information and management's assumptions, expectations and estimates; however, actual results may vary significantly. Risk factors that could cause actual results to vary from expectations are described in the Company's filings with the SEC. These factors are also available in our most recent earnings release which can be viewed on our website at [www.middlesexwater.com](http://www.middlesexwater.com) or in our Annual Report.**

**Middlesex Water  
owns and  
operates  
regulated water  
utility and  
wastewater  
systems  
primarily in New  
Jersey and  
Delaware.**







**Providing Public Health  
Protection**



**Maintaining Quality of Life**



**Providing  
a  
framework  
for  
economic  
vitality**



**Incorporated 1897**

# OUR SERVICES



**Water Production,  
Treatment &  
Distribution**



**Design/Build/Own  
Operate System  
Assets**



**Public Private  
Partnerships**



**Water & Sewer Line  
Maintenance**



**Full Service Municipal  
Contract Operations**



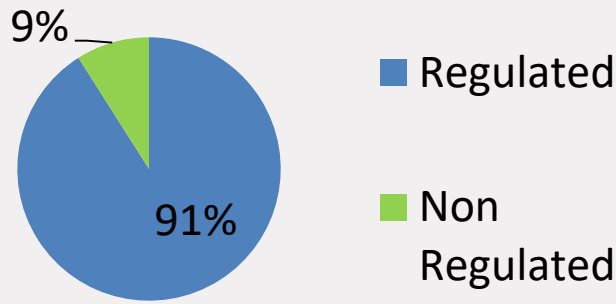
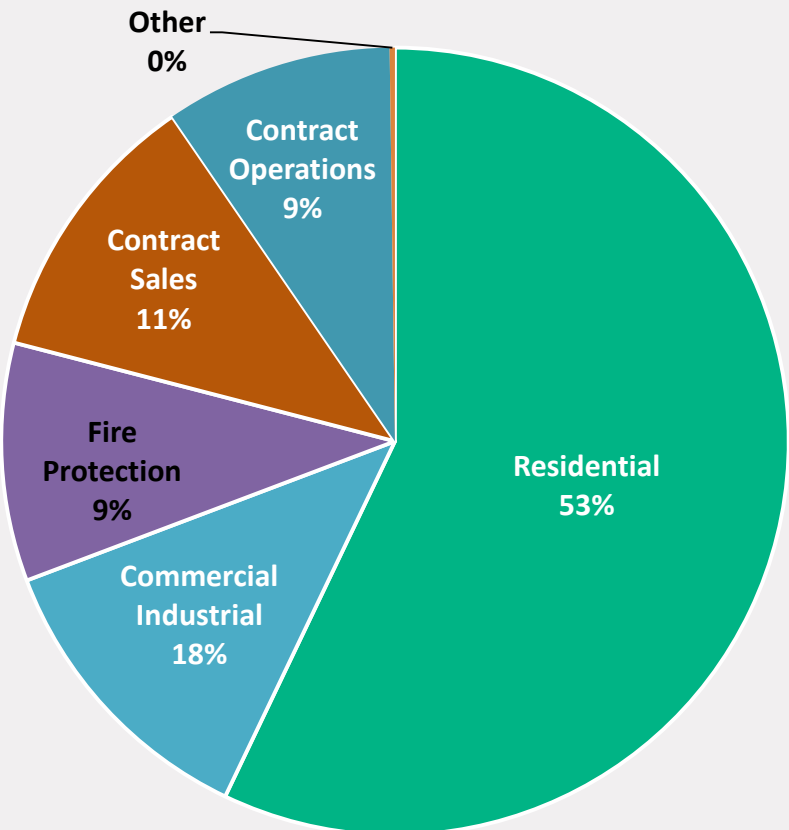
**Water & Wastewater  
System Maintenance**



**Wastewater Collection  
& Treatment**



# REVENUE SOURCES



# FINANCIAL HIGHLIGHTS

**2019 Revenues: \$134.6M**

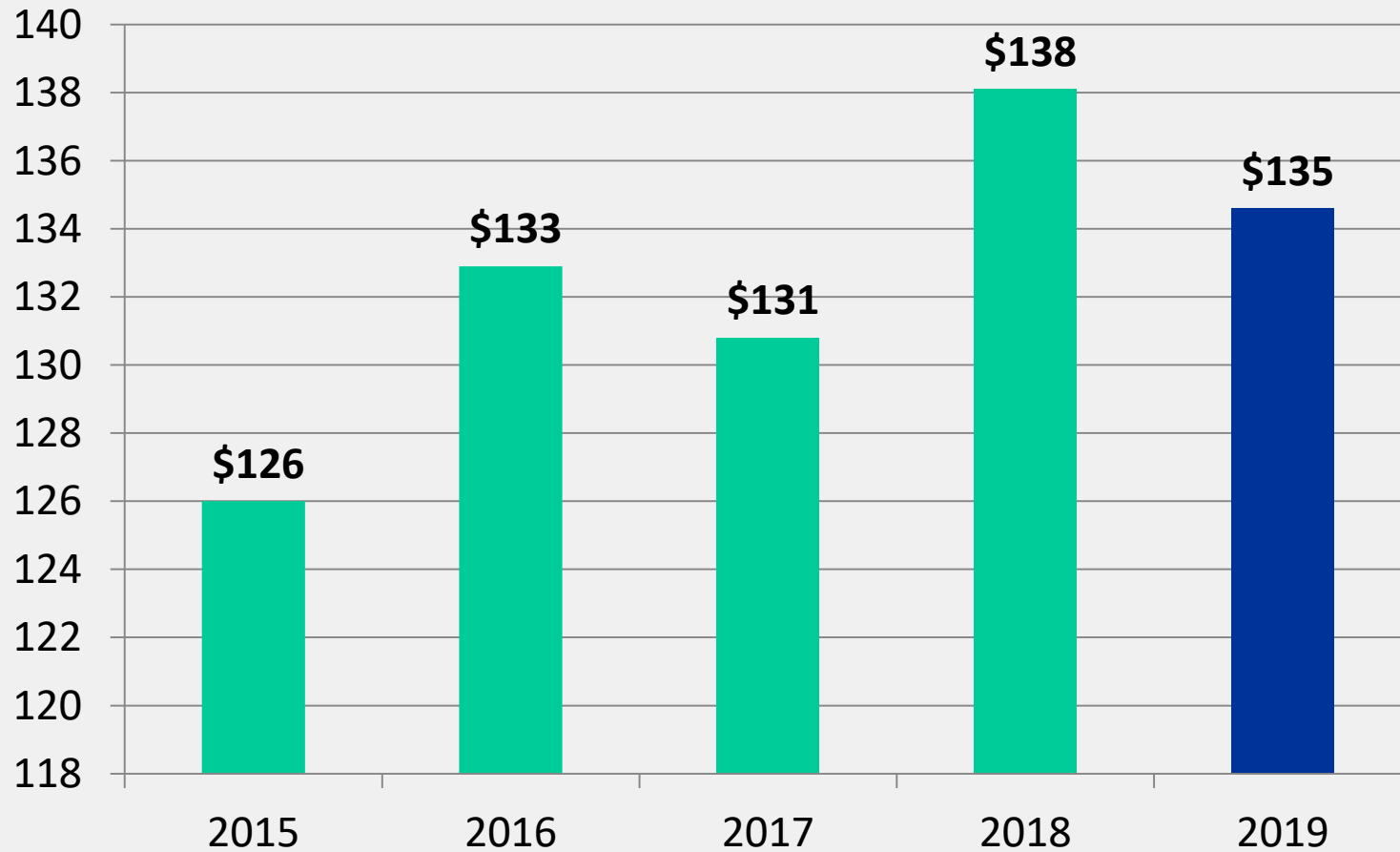
**Market Cap: \$1.142B**

**Dividend Yield: 1.60%**

**47 Years of Consecutive  
Dividend Increases**

# REVENUES

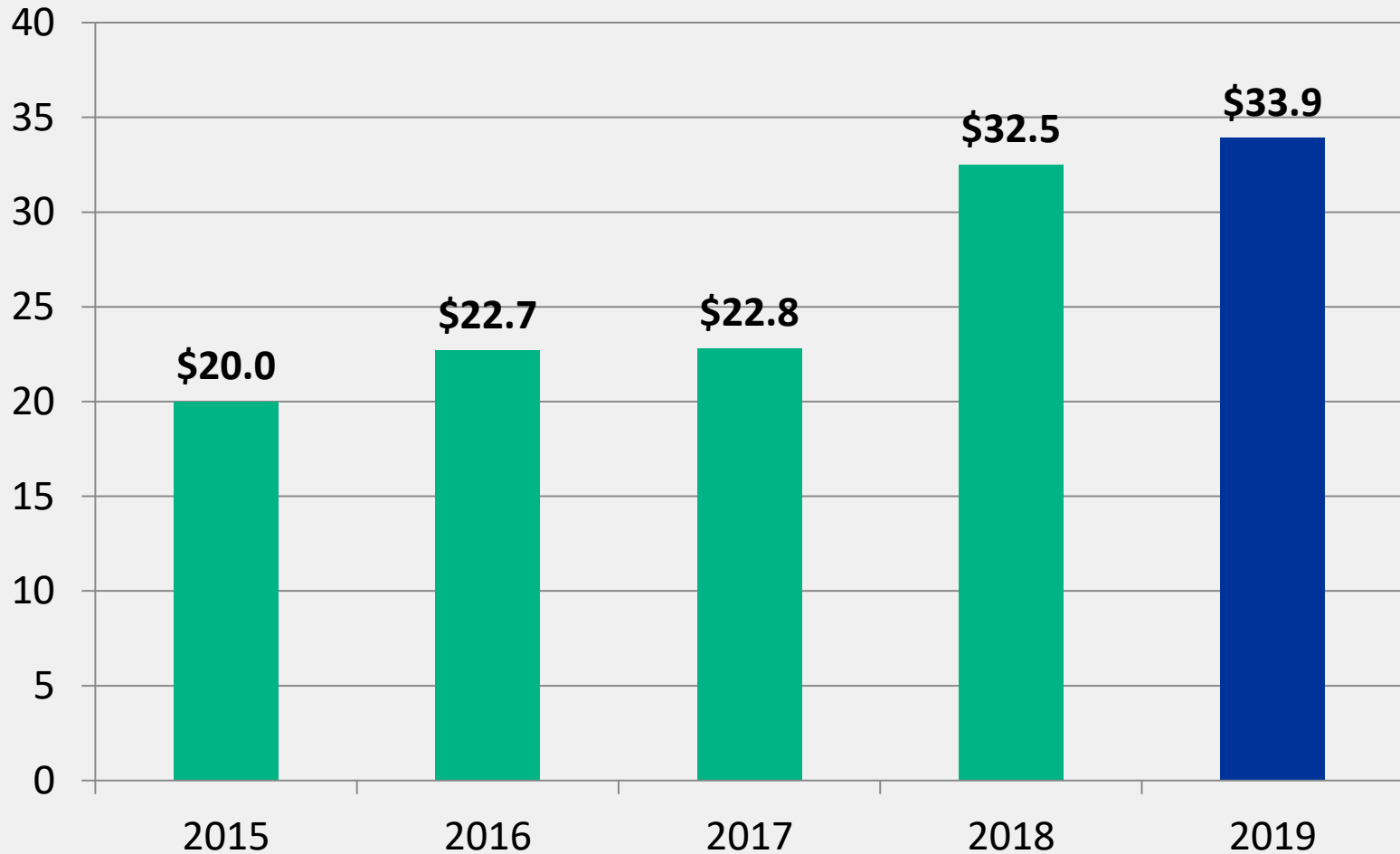
(\$Millions)



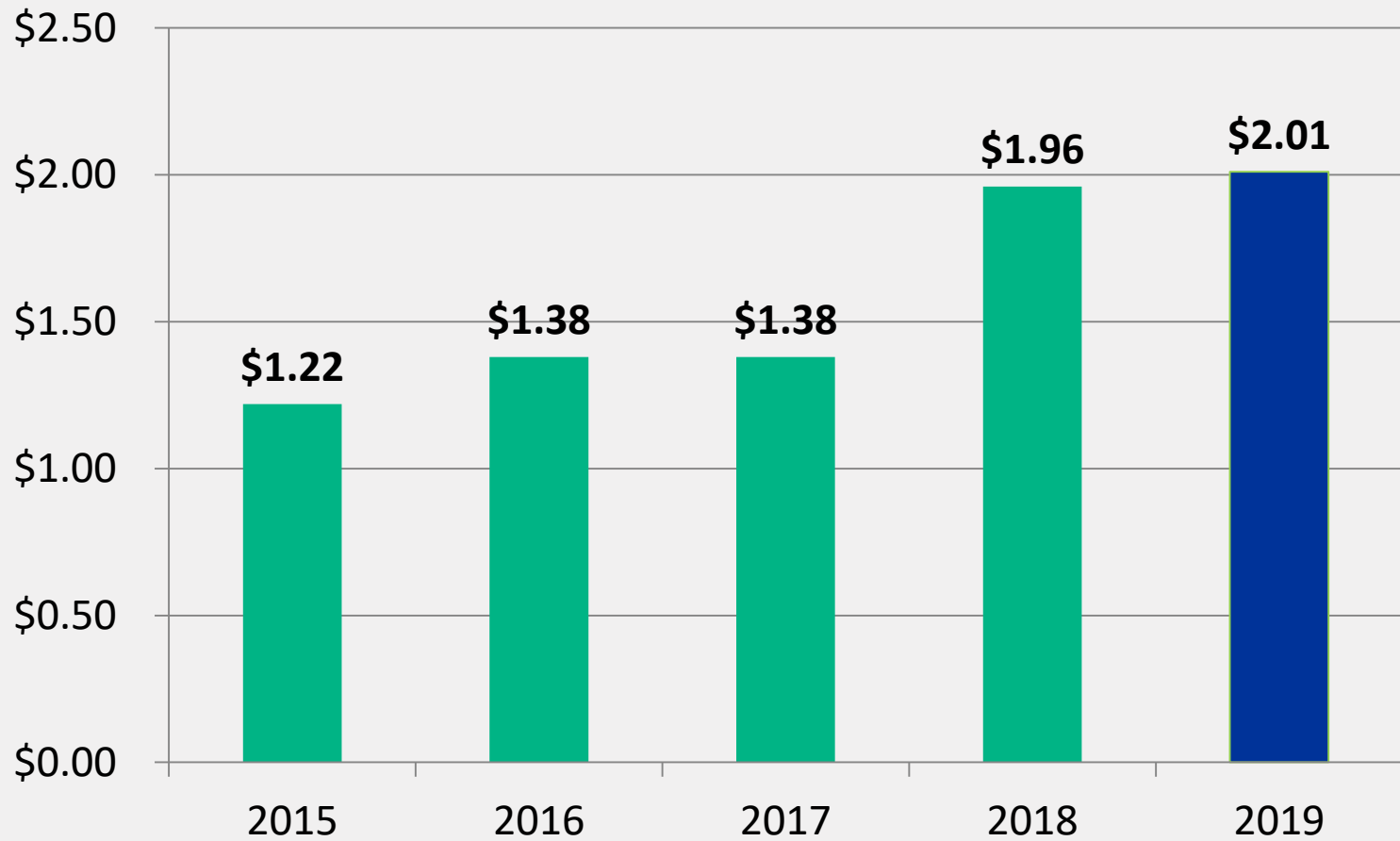


# NET INCOME

(\$Millions)



# EARNINGS PER SHARE



# SECOND QUARTER 2020 RESULTS

(In Millions)

	2020	2019
Operating Revenues	\$35.3	\$33.4
O & M Expenses	\$25.8	\$24.4
Net Income	\$9.7	\$8.1
Diluted Earnings Per Share	\$0.55	\$0.49



# ESSENTIAL PROJECTS



Water For Tomorrow® is Middlesex Water Company's major infrastructure investment campaign to enhance safety, reliability and resiliency throughout its water system in New Jersey.



# WESTERN TRANSMISSION MAIN

- ✓ **Completed** construction of the Western Transmission Main, a 4.5 mile supplemental 42" diameter transmission main through two large, densely-populated municipalities
- ✓ Main was placed into service in March 2020
- ✓ Financed through the New Jersey Infrastructure Bank



# CJO PLANT UPGRADE

- ✓ Our largest water treatment plant in New Jersey converting to ozone for primary disinfection treatment
- ✓ Ensure compliance with increasingly stringent regulations
- ✓ Financed through NJEDA
- ✓ Anticipated completion by mid-2021





# CJO PLANT UPGRADES





# RENEW 2020

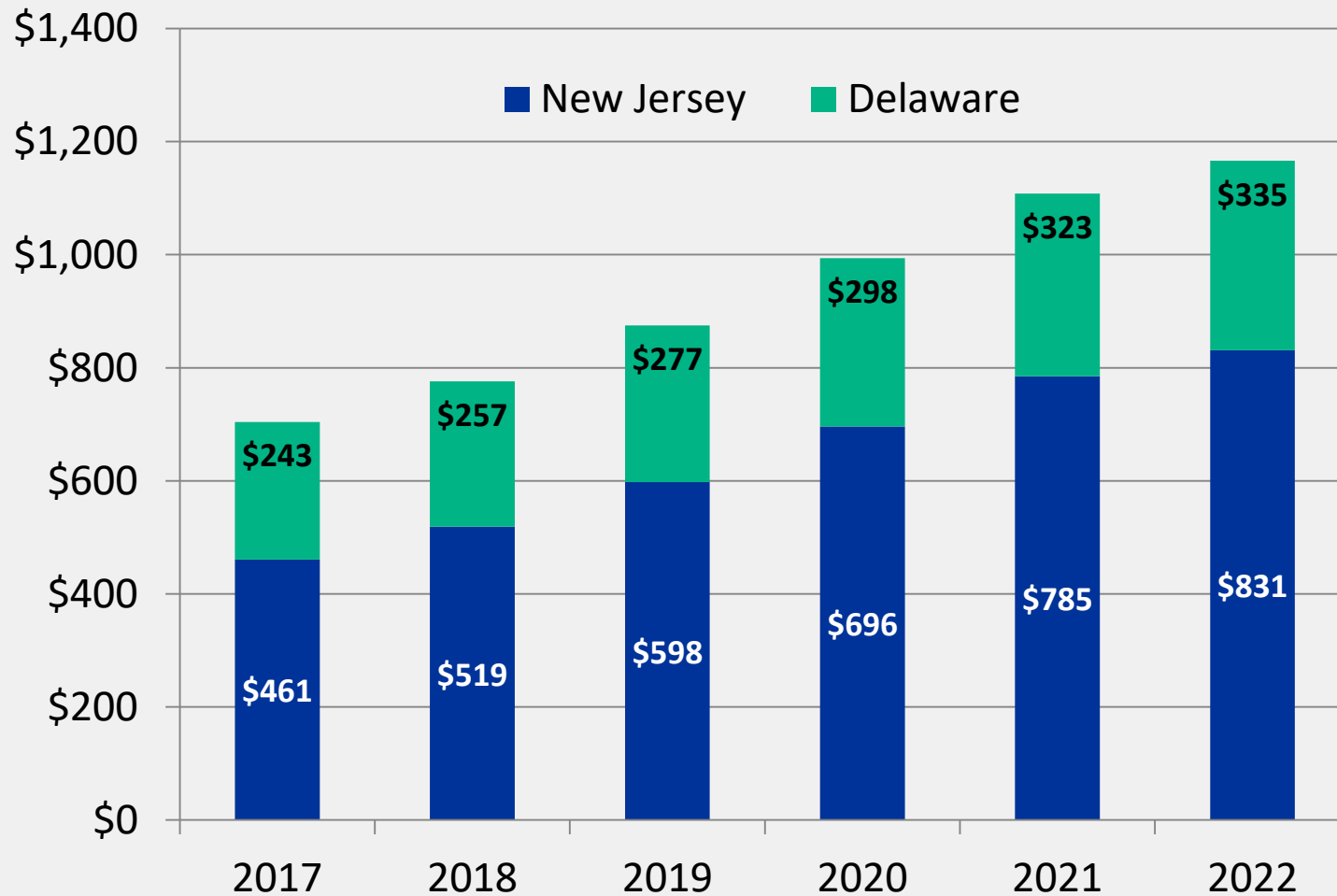
- ✓ \$3.7 Million investment in Metuchen, NJ to replace 17,500 linear feet of water mains.
- ✓ \$6.7 Million investment in Township of Edison, NJ to replace 14,000 linear feet of main
- ✓ \$4.5 Million investment in City of South Amboy, NJ to replace 10,200 linear feet of main
- ✓ Service lines, valves and fire hydrants also being upgraded
- ✓ Work will improve fire flows and overall service quality
- ✓ Installing exterior meter pits





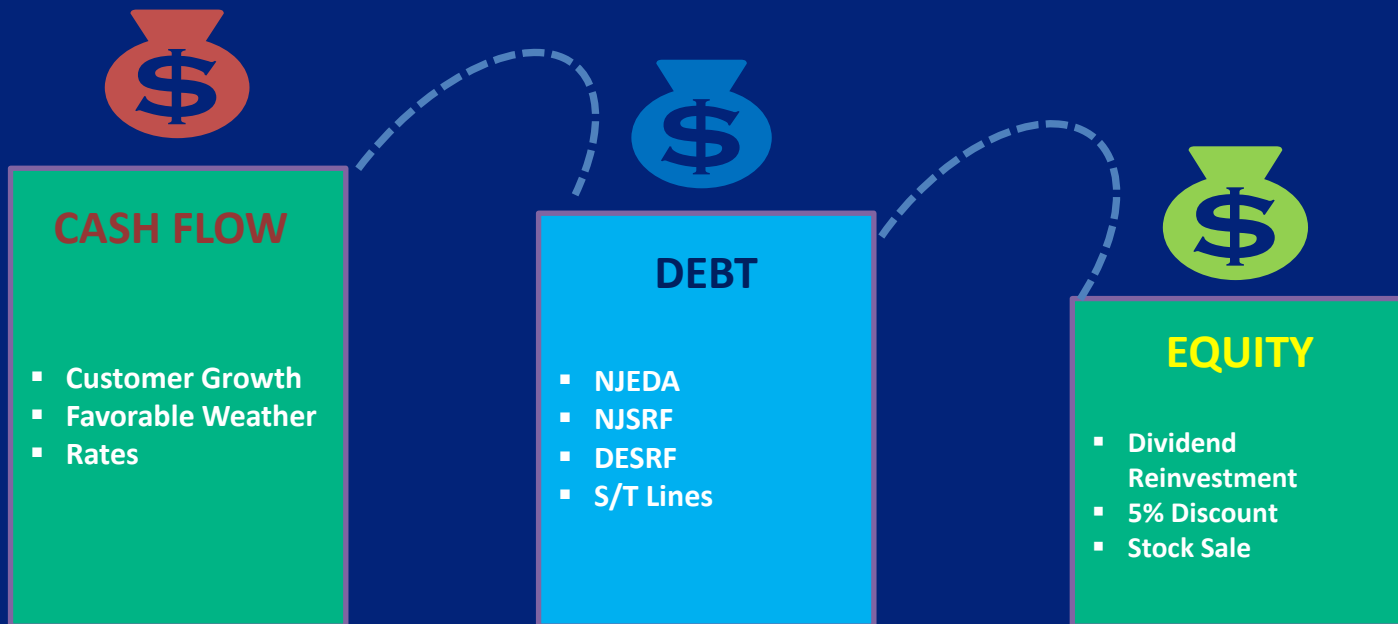


## UTILITY PLANT (Millions)



# HOW WE FUND CAPITAL IMPROVEMENTS

- ✓ Cash Flow from Operations
- ✓ Bank short-term Lines of Credit
- ✓ Investment Plan Proceeds
- ✓ Long-term Bonds
- ✓ Common Stock Offering



# CONSOLIDATED CAPITAL STRUCTURE

	<u>Actual</u> <u>3/31/2020</u>	<u>%</u>	<u>Debt Forecast</u> <u>12/31/2020</u>	<u>%</u>	<u>Debt Forecast</u> <u>Beyond 2020</u>	<u>%</u>
Debt	\$275	45.5%	\$297	46.6%	\$340	49.3%
Equity	<u>329</u>	<u>54.5%</u>	<u>340</u>	<u>53.4%</u>	<u>350</u>	<u>50.7%</u>
<b>TOTAL</b>	<b>\$604</b>	<b>100%</b>	<b>\$637</b>	<b>100%</b>	<b>\$690</b>	<b>100%</b>

# CAPITAL PROJECT FUNDING

## COMMON EQUITY

### 2019

- 5% Discount – Reinvestment Plan  
- \$12.7 Million
- November Public Offering \$43.8  
Million

## FIRST MORTGAGE BONDS

### 2019

- NJEDA - \$60.0 Million

### 2020

- Up to \$40.0 Million (Net)

### 2021

- Up to \$40.0 Million (Net)



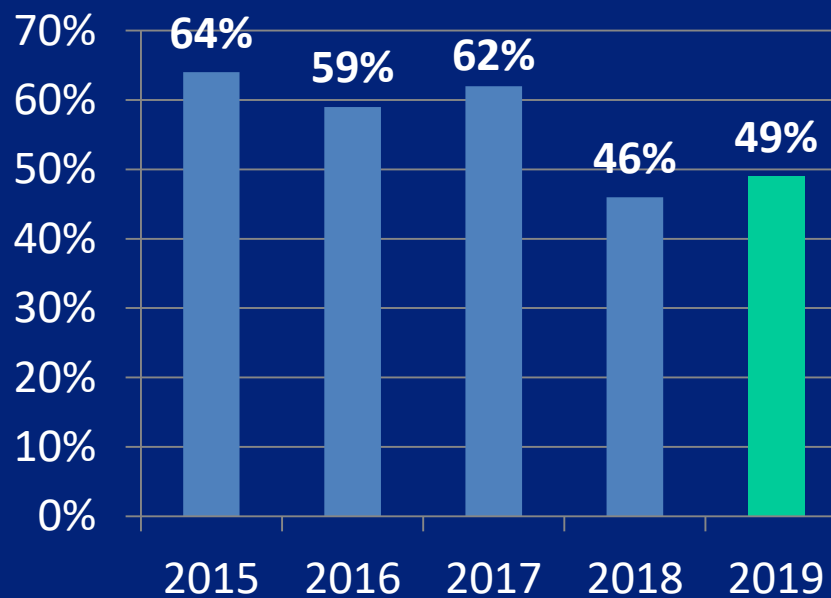
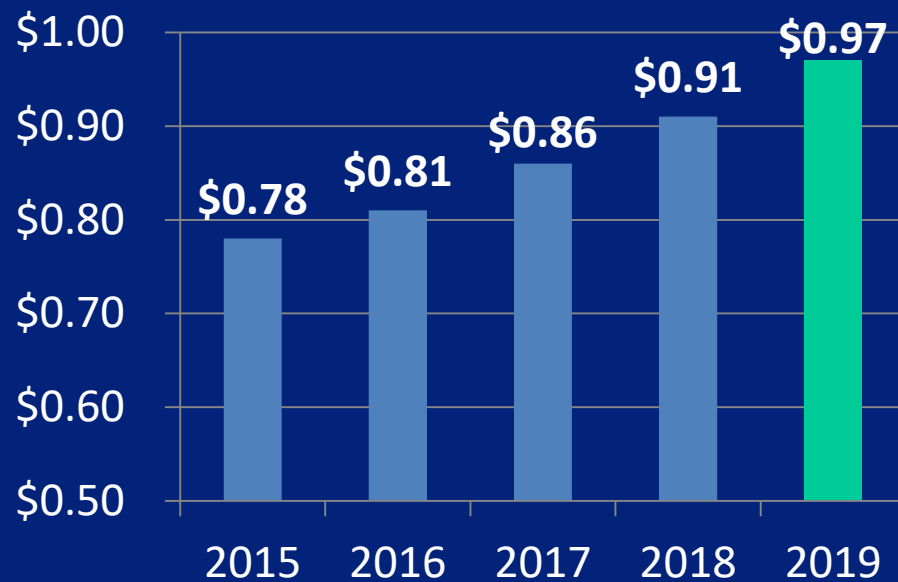


## RECENT RATE ACTIVITY

Company	Effective Date	Annual Revenues
Middlesex (PWAC)	April 4, 2020	<b>\$0.6 Million</b>
Tidewater (DSIC)	January 1, 2020	<b>\$0.5 Million</b>
Pinelands	November 4, 2019	<b>\$0.5 Million</b>



## DIVIDENDS PAID



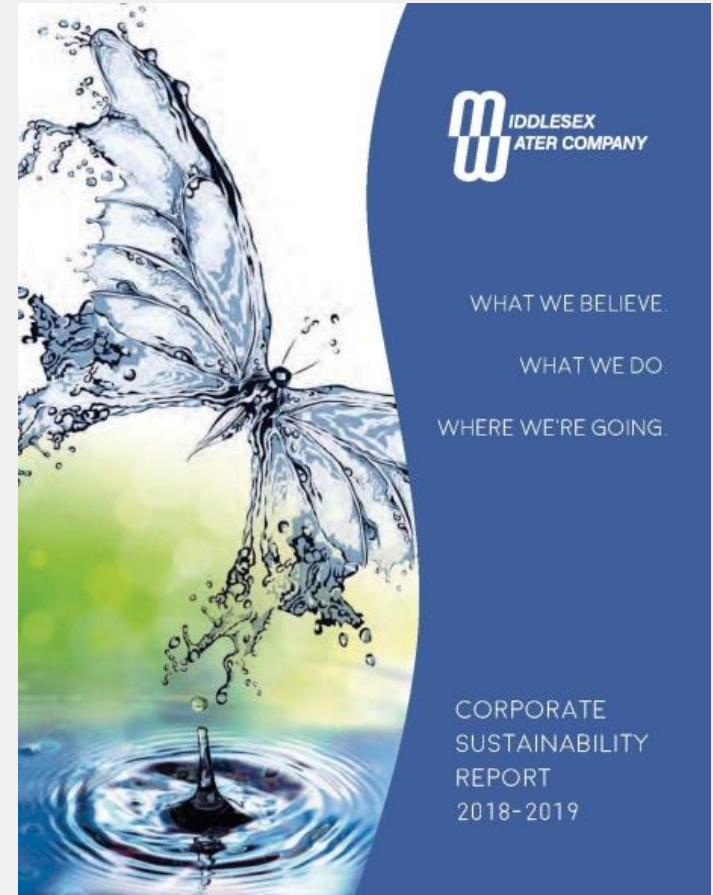
## DIVIDEND PAYOUT RATIO

# ESG FOCUS

## 2018-2019 Corporate Sustainability Report

Among the key sustainability areas addressed in the report are:

- Workforce Recruitment, Training and Development/Succession Planning
- Employee Health & Safety
- Corporate Governance and Risk Management
- Board Diversity
- Customer Care
- Emergency Management & Business Continuity
- Cybersecurity
- Environmental Stewardship
- Corporate Citizenship
- Fiscal Accountability



**RESPECT**

**INTEGRITY**

**GROWTH**

**HONESTY**

**TEAMWORK**

## OUR VALUES



Strong company culture where employee actions are guided by company values





## OTHER NEWS

# IN THE NEWS

- Middlesex Water Company Named a Top New Jersey Workplace
- Tidewater Named a 2020 Superstar in Business by the DE State Chamber of Commerce
- Middlesex Water's Legal Department Awarded New Jersey Law Journal's 2020 Professional Excellence Award
- Middlesex Water Awarded Highland Park Operating Contract
- New Independent Lead Director, Walter G. Reinhard



# OUR ONGOING COVID-19 RESPONSE

- ✓ Activated emergency and business continuity plans
- ✓ Closed walk-in payment center and suspended service shutoffs for non payment
- ✓ Observed CDC guidelines to keep employees and customers safe
- ✓ Reprioritized construction projects to focus on those with least customer impact
- ✓ To date, have donated over \$70,000 towards COVID-19 relief efforts



COVID-19 demonstrated the importance of **essential water and wastewater service** in the protection of **public health**. We thank our professionals who continue to keep these vital services flowing.

# MSEX OPPORTUNITY

Stable, well-run NJ and DE utility with a regulated and non-regulated revenue base





# Thank You.

For more information visit the  
Investors tab at:  
[www.middlesexwater.com](http://www.middlesexwater.com)



**Dennis W. Doll**  
Chairman, President  
and CEO

Advancing Infrastructure  
for a *Healthier Future*



2019 Annual Report

