

September 22, 2022

Janney Virtual Water Utilities Conference



NASDAQ:MSEX

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 or in our Annual Report.

Company Snapshot

MSEX operates regulated water and wastewater operations in New Jersey and Delaware. It also operates water and wastewater systems under contract for municipalities and private clients.



NASDAQ:MSEX

Established in 1897

Market Cap: \$1.6 Billion

Diluted EPS: \$2.24 (TTM)

Avg. Trading Volume: 92,000

Dividend Yield: 1.32%

52 Week Range: \$75.77 – \$121.43

Source: Yahoo Finance 9/7/22



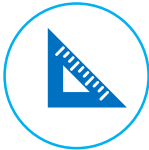
What We Do



**Water Production,
Treatment &
Distribution**



**Full Service Municipal
Contract Operations**



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



**Water & Wastewater
System Maintenance**



**Public Private
Partnerships**



**Wastewater Collection
& Treatment**



**Water & Sewer Line Maintenance
(Third Party)**

Forward Focus

We Focus on...

- Delivering High Quality Utility Services
- Employee and Customer Safety
- Infrastructure Improvements
- Enterprise Risk Management
- Customer Satisfaction
- Employee Training/Development
- Succession Planning for Key Roles
- Diversity, Equity & Inclusion
- Cyber Security



Our Formula for Building Shareholder Value

- ✓ Provide high quality utility services at an appropriate cost to customers
- ✓ Upgrade and replace utility infrastructure
- ✓ Finance the capital program
- ✓ Receive timely and adequate rate recovery
- ✓ Repeat
- ✓ Complementary utility-related services

Our values drive a strong company culture.



Recent Developments



Pinelands Rate Increase Requests: In September 2022, Pinelands Water and Pinelands Wastewater filed separate petitions with the New Jersey Board of Public Utilities seeking permission to increase base rates by \$1.0 million. These requests were necessitated by capital infrastructure investments both companies have made, or have committed to make, and increased operations and maintenance costs.



Tidewater Rates: On August 31, 2022, the Delaware Public Service Commission issued an Order requiring Tidewater Utilities, Inc. to reduce its base rates charged to general metered and private fire customers by 5.992%, effective for service rendered on and after September 1, 2022. The rate reduction is expected to reduce annual revenues by approximately \$2.2 million.



Contract Operations Award: On August 17, 2022 Middlesex Water announced that its subsidiary, Utility Service Affiliates, Inc. (USA) had been awarded a 10-year contract to manage the water, wastewater and storm water systems of the Borough of Avalon, New Jersey.

Recent Developments



Dividend Declared: In July, 2022, MWC declared a cash dividend of \$0.29 per share on its common stock payable on September 1, 2022 to holders of record as of August 12, 2022. **MWC has paid cash dividends in varying amounts continually since 1912 and has increased its annual dividend rate for 49 consecutive years.**



PFAS Treatment Begins: In June, MWC completed Phase 1 construction of an advanced treatment facility at its Park Avenue wellfield that is effectively treating ground water to ensure compliance with all state and federal drinking water standards.

Knocking Out Lead



Knocking Out Lead: In NJ legislation requires public community water systems to inventory /replace **lead and galvanized steel service lines** within 10 years; provides for recoupment of costs by investor owned water systems.

Corporate Social Responsibility

We continue to evolve in our **Environmental, Social and Governance (ESG)** reporting.

Environment: Investment in Infrastructure to enhance drinking water quality, protect public health and support system reliability. Completion of a \$72 million ozone treatment plant to help ensure compliance with increasingly stringent drinking water quality regulations.

Social: Succession Planning, Leadership Development, DEI Awareness Training, Community Support and Engagement.

Governance: Guidelines, policies and procedures, expanded Code of Conduct.

Visit our website for our latest Sustainability Report.



Governance Update



Vaughn L. McKoy, JD, MBA named to Board of Directors, Class III on July 15, 2021.

Mr. McKoy is a Partner with Inglesino, Webster, Wyciskala & Taylor, LLC where he specializes in general litigation, regulatory matters, corporate governance, ethics and compliance and government affairs.



The Board of Directors adopted a new and expanded Code of Ethics for Directors, Officers, Employees and Suppliers.



New Ozone Treatment Facility

- Enhanced treatment process mitigates formation of disinfection by-products and treats other emerging contaminants.
- Ozone has been fully integrated into treatment.





Addressing PFAS

- Constructing a facility for enhanced treatment to comply with new state regulations in NJ for poly- and perfluoralkyl substances, collectively known as PFAS.
- Phase 1 construction of this advanced treatment facility at Park Avenue wellfield is currently treating ground water to ensure compliance with all state and federal drinking water standards
- MSEX has filed a lawsuit against the alleged polluter to recoup remediation costs.

RENEW 2022

- \$7.9 Million investment in Woodbridge Township, NJ drinking water infrastructure.
- 24,100 linear feet of water mains being replaced, including service lines, valves and fire hydrants.
- Includes Lead Service Line Identification and removal, as part of our Knocking Out Lead Program
- **27th Year of RENEW**



Twelve Months Ended June 2022 Financial Highlights



- Revenues.....**\$149.8M**
- Net Income.....**\$ 39.7M**
- Diluted Earnings Per Share...**\$ 2.24**



2nd Quarter 2022 Results (In Millions)



| | Operating Revenues | O & M Expenses | Net Income | Diluted Earnings Per Share |
|------|--------------------|----------------|------------|----------------------------|
| 2022 | \$39.7 | \$19.6 | \$8.8 | \$0.50 |
| 2021 | \$36.7 | \$18.0 | \$10.9 | \$0.62 |

- Revenues increased \$3.0 Million
- O&M Expense increase driven by weather related main break activity, weather driven changes in water quality and higher chemical costs.



Year to Date June 2022 Results

(In Millions)



| | Operating Revenues | O & M Expenses | Net Income | Diluted Earnings Per Share |
|------|--------------------|----------------|------------|----------------------------|
| 2022 | \$75.9 | \$38.7 | \$21.0 | \$1.18 |
| 2021 | \$69.2 | \$36.3 | \$17.8 | \$1.01 |



FACTORS AFFECTING EARNINGS



WEATHER



TIMELY RATE RECOVERY



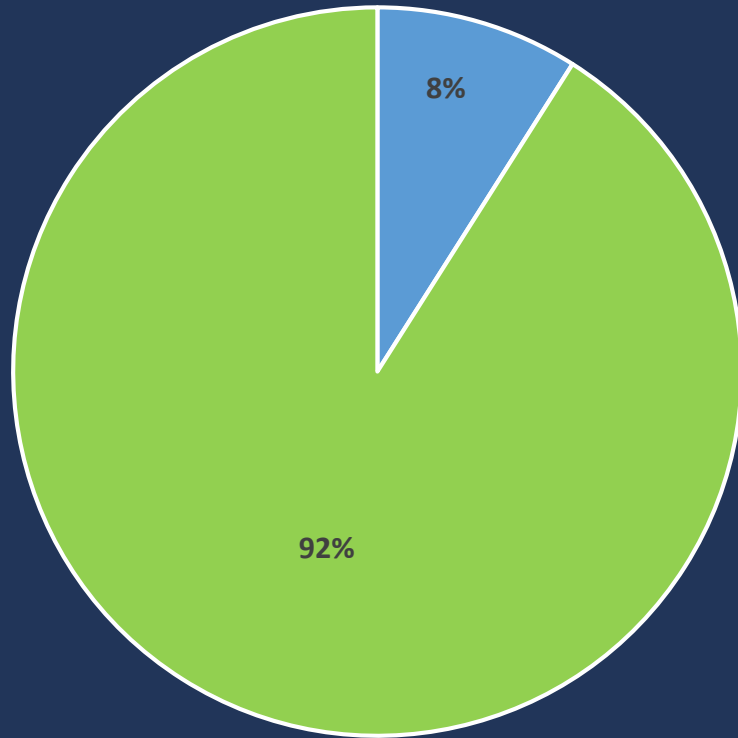
**COST
MANAGEMENT**



CUSTOMER GROWTH

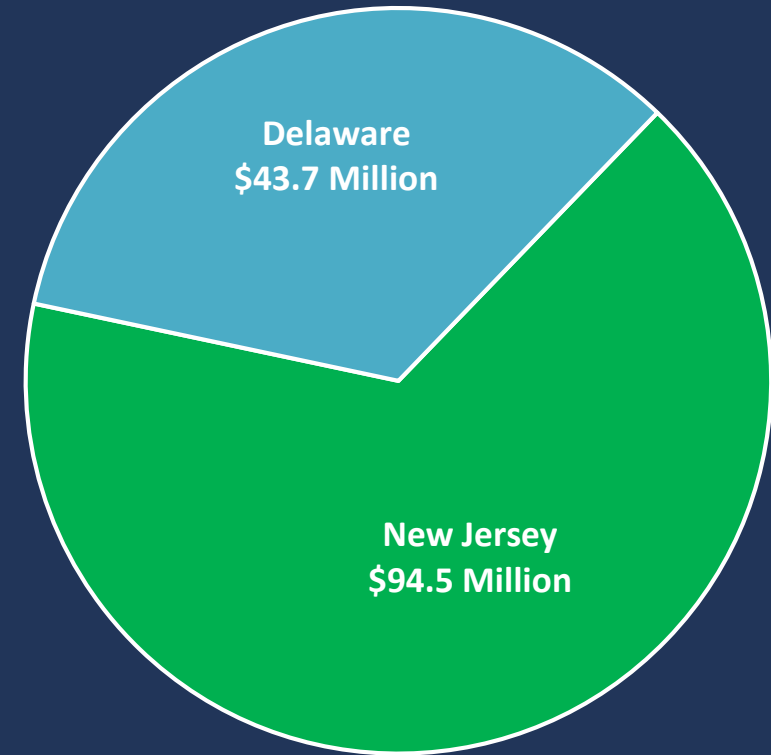
Revenue

Twelve Months Ended June 2022



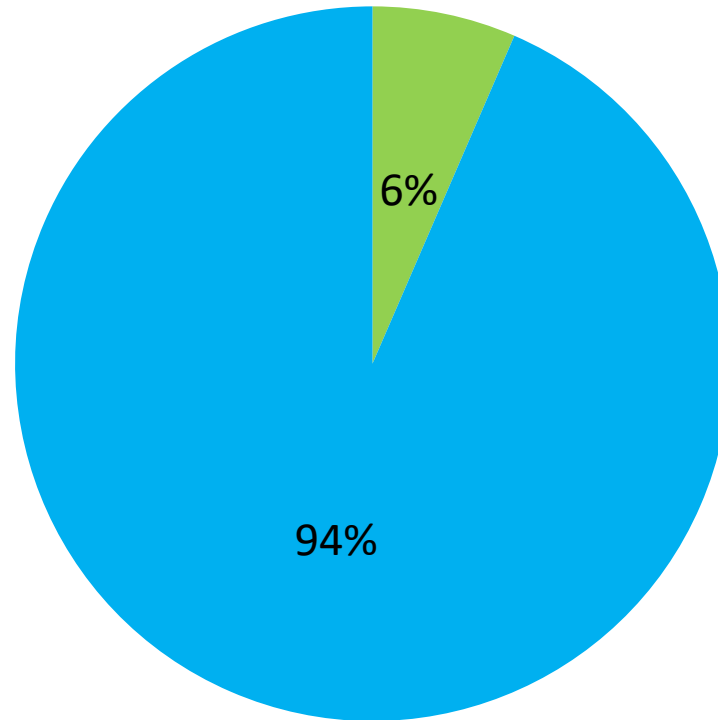
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Regulated



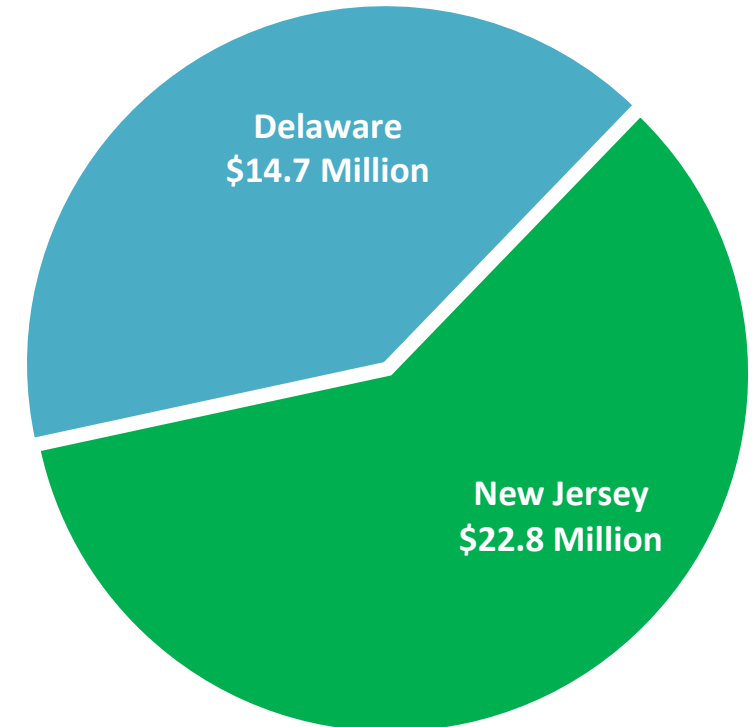
Net Income

Twelve Months Ended June 2022

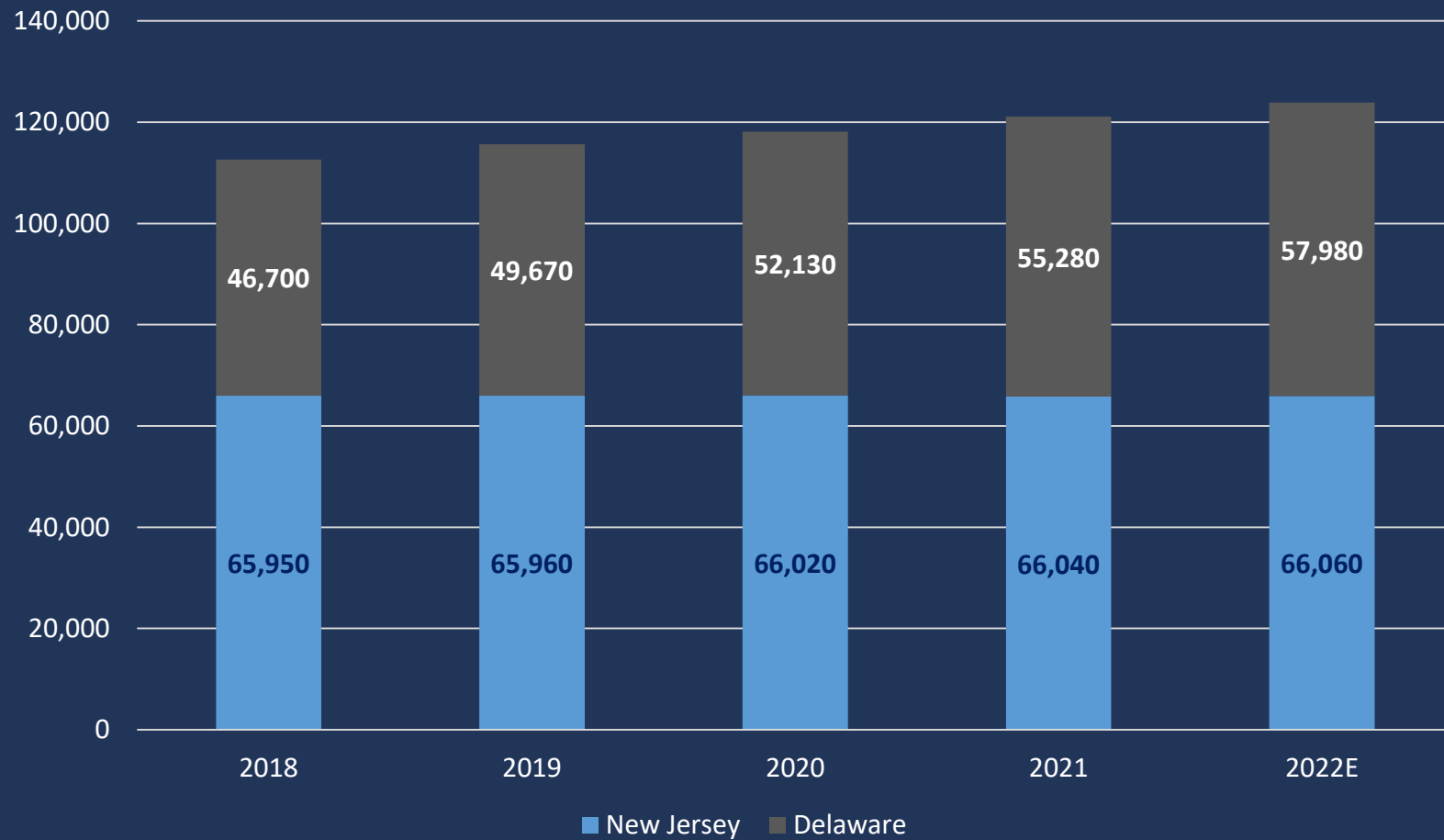


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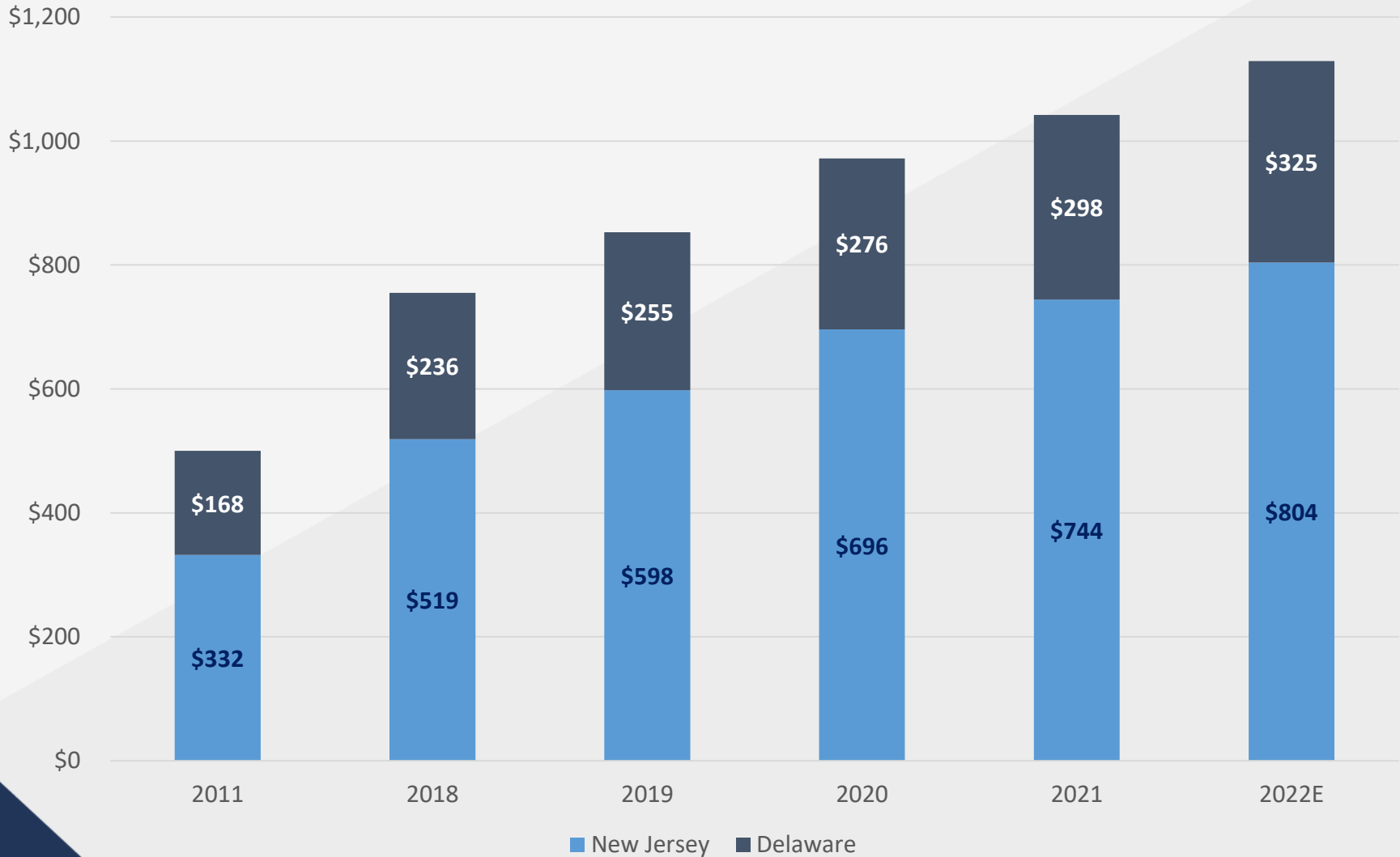
Regulated



Customers



Utility Plant (Millions)



Middlesex Base Rate Increase Granted (NJ)

On January 1st, Middlesex implemented the first phase of 33.6% rate increase.

- Two-phase implementation:
 - \$20.7 Million (January 1, 2022)
 - \$7.0 Million (January 1, 2023)
- Return on Common Equity – 9.6%



Capital Project Funding

- Lines of Credit (\$140 million)
- Private Placement Loans
- Delaware SRF Program
- Bank Loans
- Dividend Reinvestment Plan



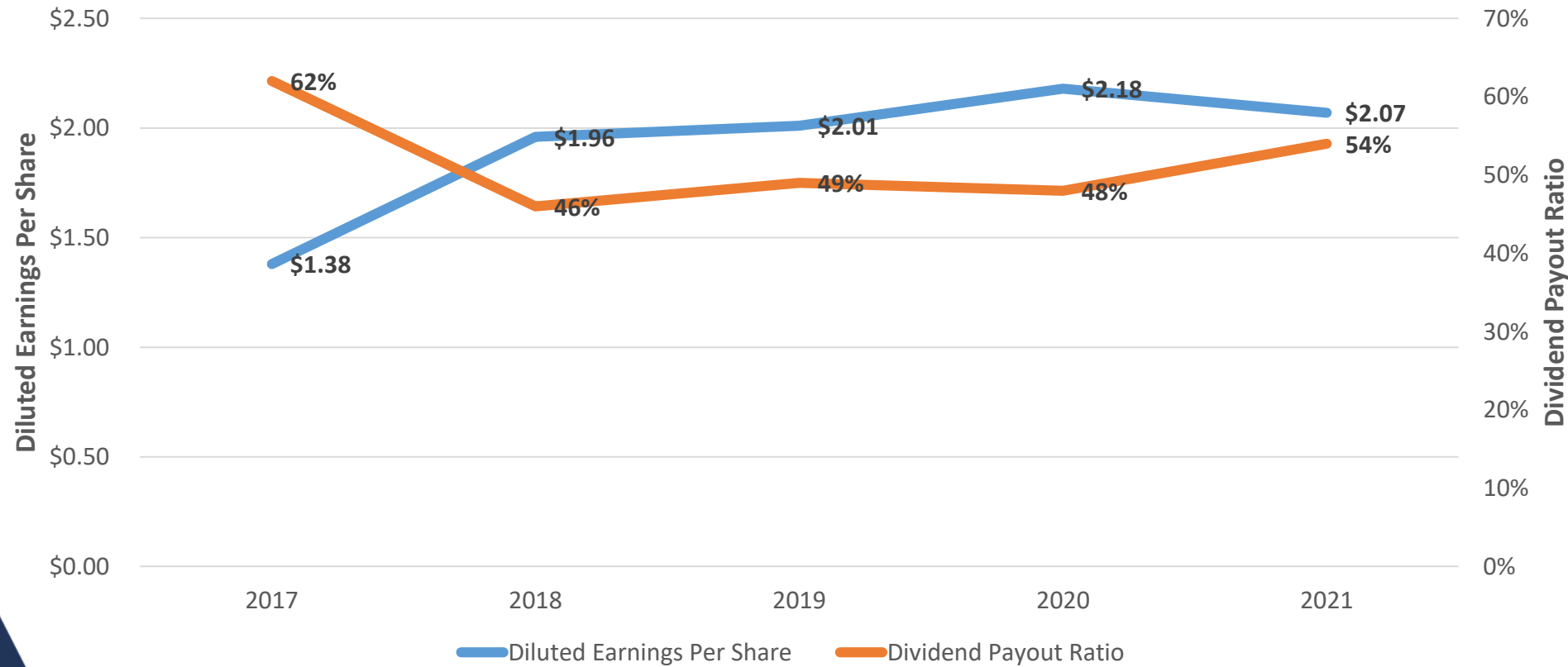
49 Years of Dividend Growth

- MSEX is committed to growing its dividend and has increased the dividend for 49 consecutive years.
- Maintains a target payout ratio of below 70%.



Diluted EPS

Payout Ratio



Questions?





Thank You!

**For more information, please visit the Investors tab at
www.middlesexwater.com**