



# Second Quarter 2022

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August 10, 2022 | HALIFAX



The meeting will begin  
at 9:30 AM AT / 8:30 AM ET



# CAUTIONARY STATEMENT & NON-GAAP FINANCIAL MEASURES AND RATIOS

## Forward-Looking Information

This document contains “forward-looking information” statements which reflect management’s current view with respect to the Company’s expectations regarding future growth, results of operations, performance, carbon dioxide emissions reduction goals, business prospects and opportunities, and may not be appropriate for other purposes within the meaning of applicable Canadian securities laws. All such information and statements are made pursuant to safe harbour provisions contained in applicable securities legislation. The words “anticipates”, “believes”, “budget”, “could”, “estimates”, “expects”, “forecast”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “targets”, “will”, “would” and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management’s current beliefs and is based on information currently available to Emera’s management and should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the time at which, such events, performance or results will be achieved.

The forward-looking information is based on reasonable assumptions and is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information.

Factors that could cause results or events to differ from current expectations include without limitation: regulatory risk; operating and maintenance risks; changes in economic conditions; commodity price and availability risk; liquidity and capital market risk; future dividend growth; timing and costs associated with certain capital investment; the expected impacts on Emera of challenges in the global economy; estimated energy consumption rates; maintenance of adequate insurance coverage; changes in customer energy usage patterns; developments in technology that could reduce demand for electricity; global climate change; weather; unanticipated maintenance and other expenditures; system operating and maintenance risk; derivative financial instruments and hedging; interest rate risk; counterparty risk; disruption of fuel supply; country risks; environmental risks; foreign exchange; regulatory and government decisions, including changes to environmental, financial reporting and tax legislation; risks associated with pension plan performance and funding requirements; loss of service area; risk of failure of information technology infrastructure and cybersecurity risks; uncertainties associated with infectious diseases, pandemics and similar public health threats, such as the COVID-19 novel coronavirus pandemic; market energy sales prices; labour relations; and availability of labour and management resources. Readers are cautioned not to place undue reliance on forward-looking information as actual results could differ materially from the plans, expectations, estimates or intentions and statements expressed in the forward-looking information.

All forward-looking information in this document is qualified in its entirety by the above cautionary statements and, except as required by law, Emera undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise.

Nothing in this document should be construed as an offer or sale of securities of Emera or any other person.

## Non-GAAP Financial Measures and Ratios

Emera uses financial measures and ratios that do not have standardized meaning under USGAAP and may not be comparable to similar measures presented by other entities. Emera calculates the non-GAAP measures and ratios by adjusting certain GAAP measures for specific items. Management believes excluding these items better distinguishes the ongoing operations of the business and allows investors to better understand and evaluate the business. Refer to the “Non-GAAP Financial Measures and Ratios” section of Emera’s Q2 2022 MD&A which is incorporated herein by reference and can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Reconciliation to the nearest GAAP measure is included in the appendix

## Other

Rate base is a financial measure specific to rate-regulated utilities that is not intended to represent any financial measure as defined by GAAP. The measure is required by the regulatory authorities in the jurisdictions where Emera’s rate-regulated subsidiaries or equity investments operate, a summary of which can be found in our MD&A. The calculation of this measure as presented may not be comparable to similarly titled measures used by other companies.



# Business Update

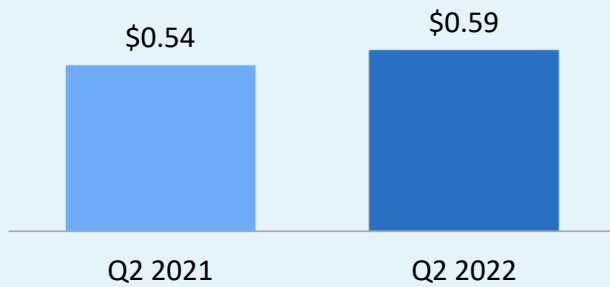
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**Scott Balfour**  
President & CEO

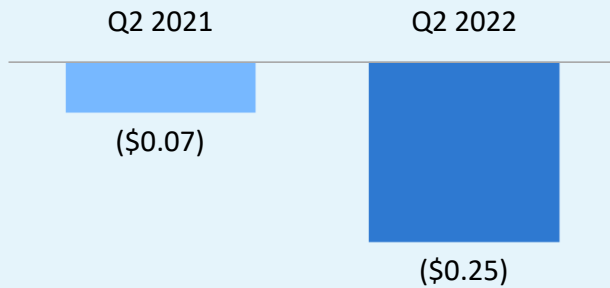


# QUARTERLY HIGHLIGHTS

## Adjusted EPS<sup>1</sup>



## Reported loss per common share



## Highlights

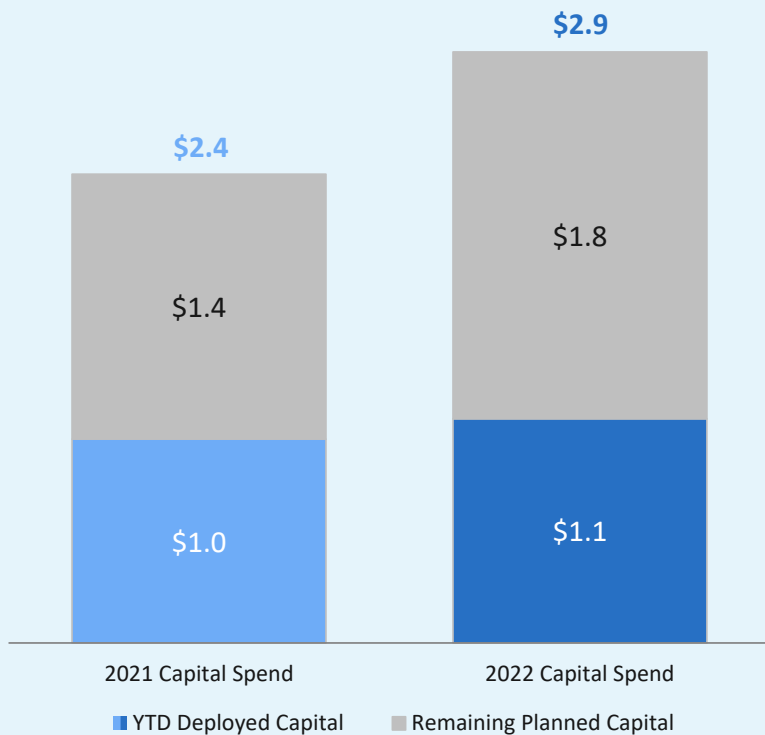
- 18% increase in adjusted earnings per share<sup>1</sup> from regulated utilities
- 9% increase in cash flow from operations<sup>2</sup>
- Released our 6<sup>th</sup> annual Sustainability Report highlighting Emera's strategy in action, and our progress towards a clean energy future



<sup>1</sup> Adjusted earnings per common share - basic ("Adjusted EPS") is a non-GAAP ratio;

<sup>2</sup> Before changes in working capital

## CAPITAL PROGRAM UPDATE



Note: In billions of CAD



On track to deliver \$2.9 billion in capital investment in 2022, a 19% increase over the \$2.4 billion capital investment in 2021



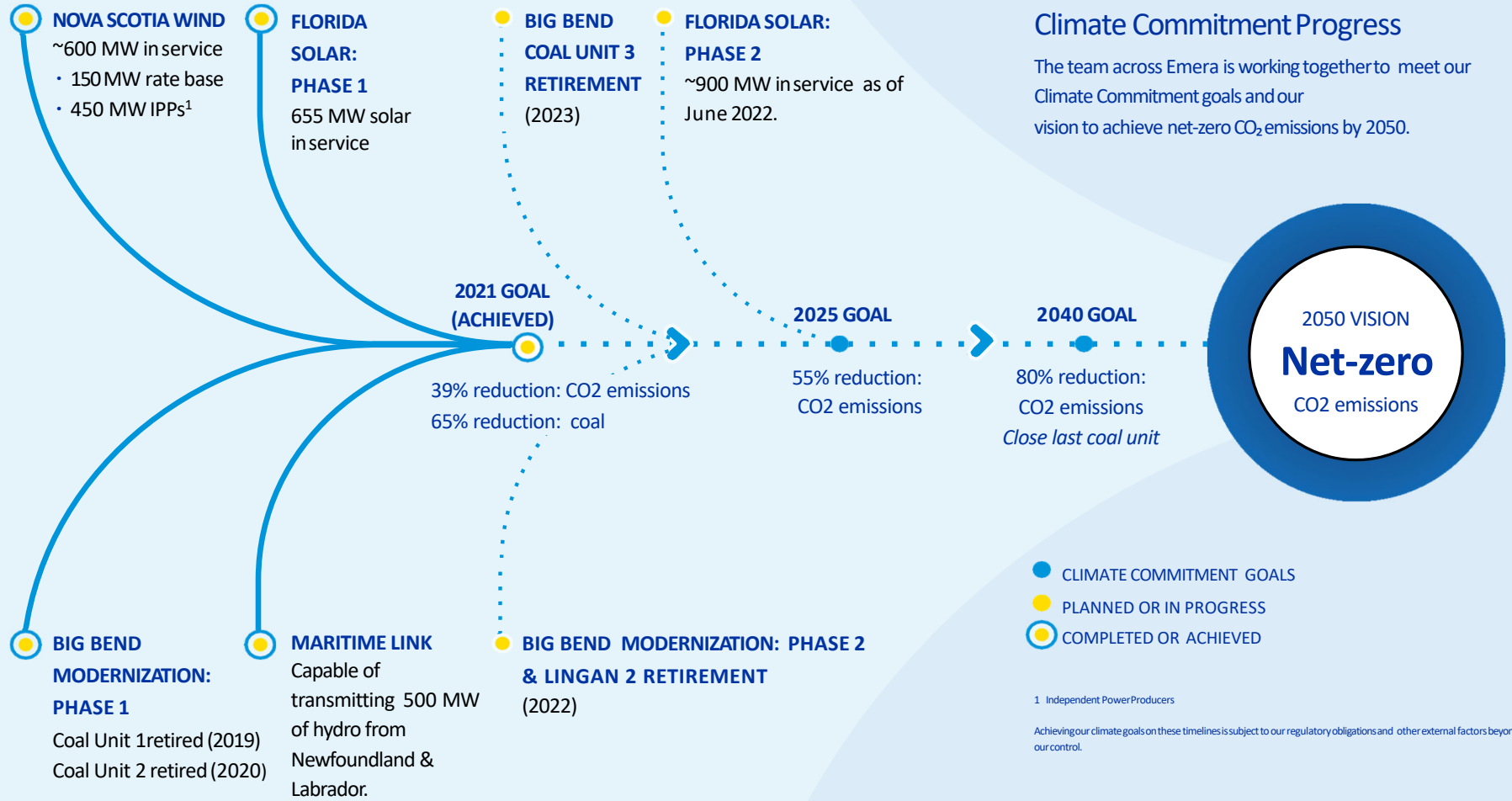
Emera's capital program continues to drive forecasted rate base growth of approximately 7% to 8% through 2024



2023-2025 capital plan will be rolled out in Q3 2022



# BUILDING A CLEANER ENERGY FUTURE





## REGULATORY UPDATE

### Nova Scotia Power Maritime Link:

- On August 3, 2022, NSPML submitted an application to the UARB requesting recovery of ~\$164M in Maritime Link costs for 2023. A decision is expected in Q4 2022.



### New Mexico Gas

- Filed an unopposed settlement agreement in May 2022, which must still be approved by the NMPRC. Provides for revenue increase of \$19M USD, with ROE and capital structure unchanged.
- If approved, new rates would be effective January 1, 2023.



### Nova Scotia Power:

- Filed a General Rate Application (“GRA”) for 2022 through 2024 which includes average non-fuel rate increases of 2.9% per year and average fuel rate increases of 0.8% per year.
- Hearing is scheduled for September 2022



### Barbados Light & Power

- Submitted a general rate review application in October 2021, including request for annual revenue increase of ~US\$23 million, requested ROE of 12.5% and allowed equity structure of 65%.
- Decision and new rates expected in 2022.

# Financial Results

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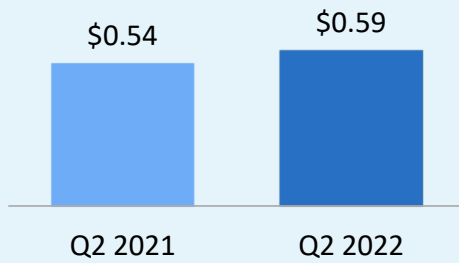
**Greg Blunden**  
CFO



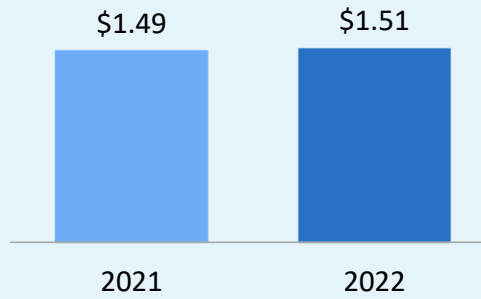


# QUARTERLY HIGHLIGHTS

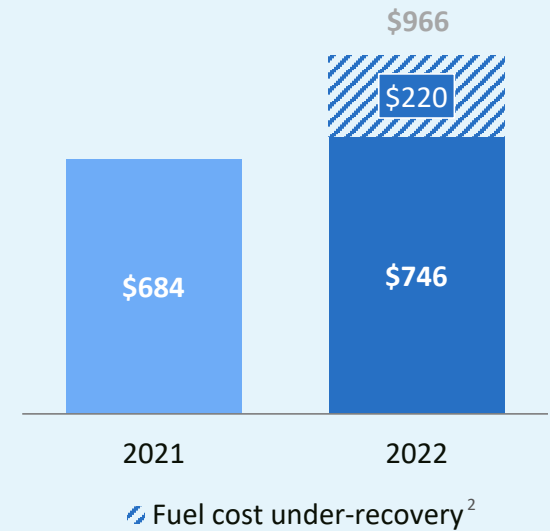
## Q2 Adjusted EPS<sup>1</sup>



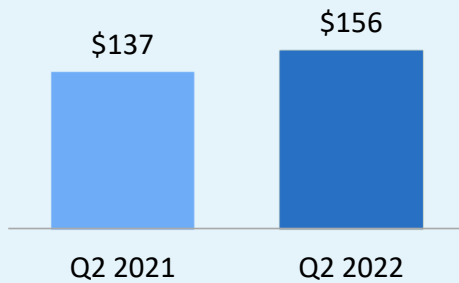
## YTD Adjusted EPS<sup>1</sup>



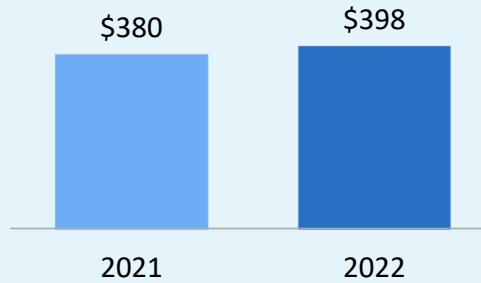
## Cash Flow *before changes in working capital*



## Q2 Adjusted Net Income<sup>1</sup>



## YTD Adjusted Net Income<sup>1</sup>



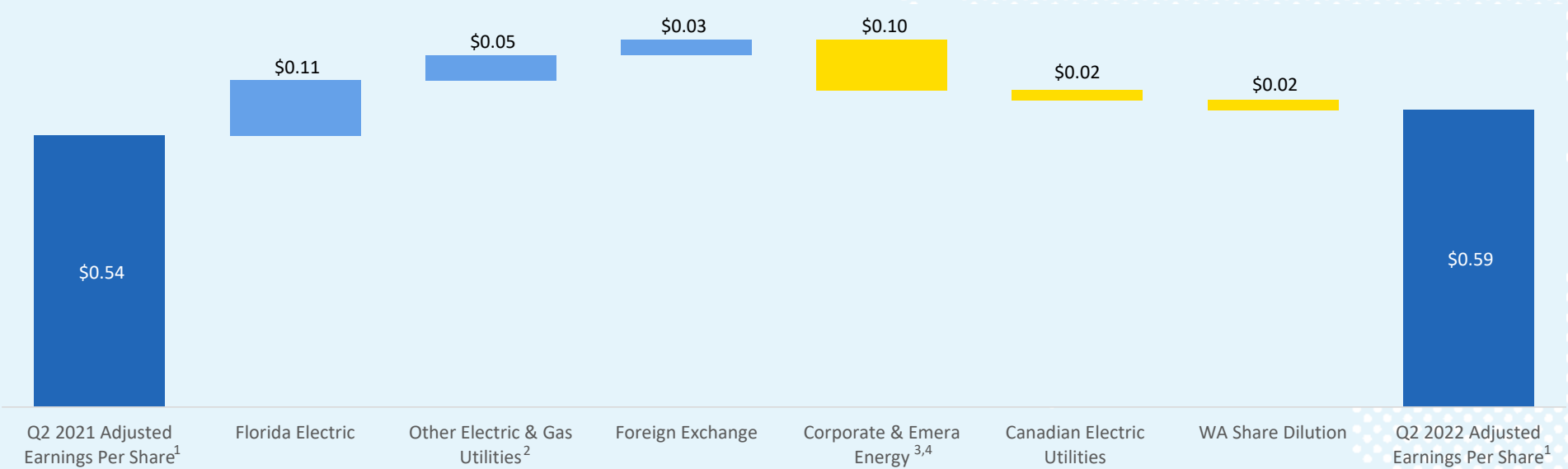
Note: Millions of Canadian dollars (except per share amounts);

<sup>1</sup> Adjusted net income and adjusted EPS are a non-GAAP measure and non-GAAP ratio, respectively. See appendix for reconciliation to the nearest GAAP measure

<sup>2</sup> Includes \$167M USD at TEC and \$8M at NSPI in 2022. USD balance translated at 1.27

# KEY DRIVERS IN Q2/22 ADJUSTED EPS<sup>1</sup>

## Q2 2022 Adjusted EPS<sup>1</sup>



<sup>1</sup> Adjusted EPS is a non-GAAP ratio.

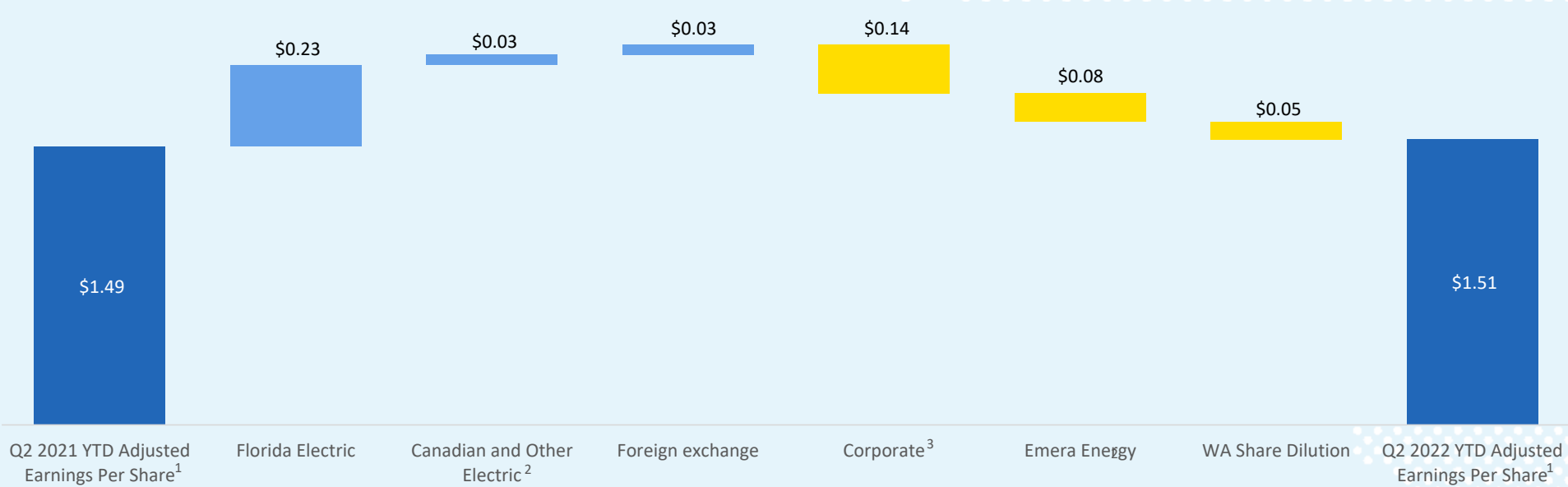
<sup>2</sup> Includes \$0.03 and \$0.02 from Other Electric and Gas Utilities, respectively

<sup>3</sup> Includes \$(0.08) and \$(0.02) from Corporate and Emera Energy, respectively

<sup>4</sup> Includes \$(0.02) impact from gain on foreign exchange hedges in 2021

# KEY DRIVERS IN YTD 2022 ADJUSTED EPS<sup>1</sup>

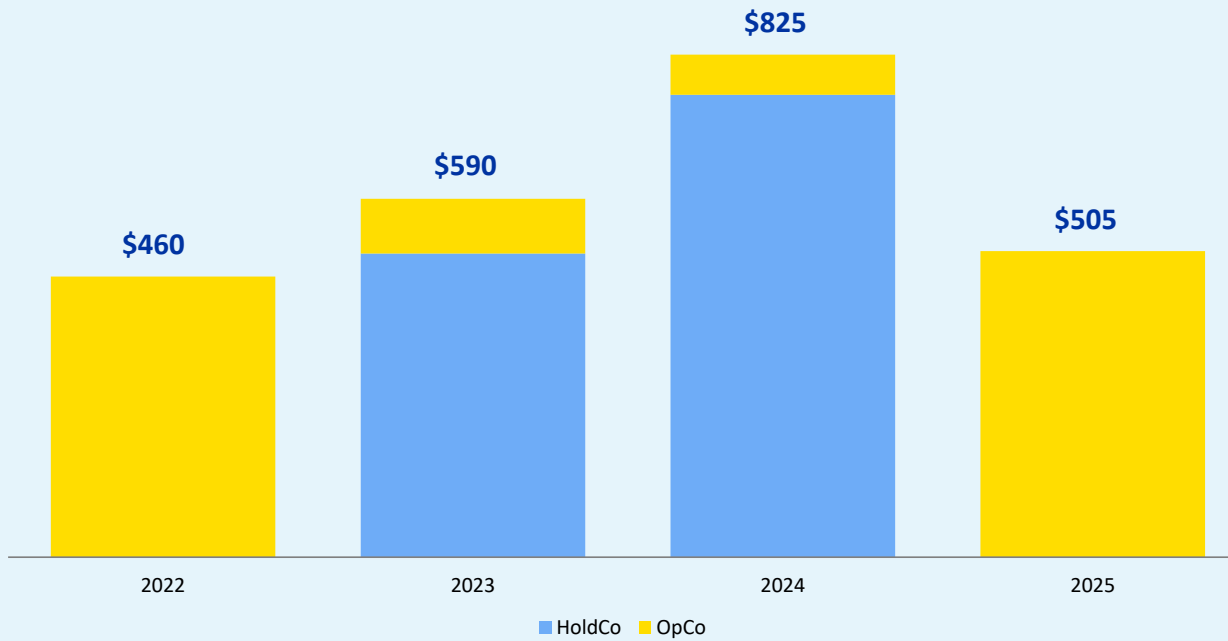
## YTD 2022 Adjusted EPS<sup>1</sup>



<sup>1</sup> Adjusted EPS is a non-GAAP ratio;  
<sup>2</sup> Includes \$0.02 and \$0.01 from Canadian Utilities and Other Electric, respectively  
<sup>3</sup> Includes \$(0.04) impact from gain on foreign exchange hedges in 2021

## MODEST REFINANCING NEEDS THROUGH 2024

As of December 31, 2021\*  
in millions of CAD



**~90%**  
Matures in or beyond 2024



**~85%**  
Matures in or beyond 2026



**~85%**  
Total debt portfolio is fixed rate



**~7%**  
Variable rate debt at corporate



\*On July 12, 2022, TEC completed an issuance of \$600 million USD senior notes.

\*On July 15, 2022, NSPI entered into a \$400 million non-revolving term facility which matures on July 15, 2024.

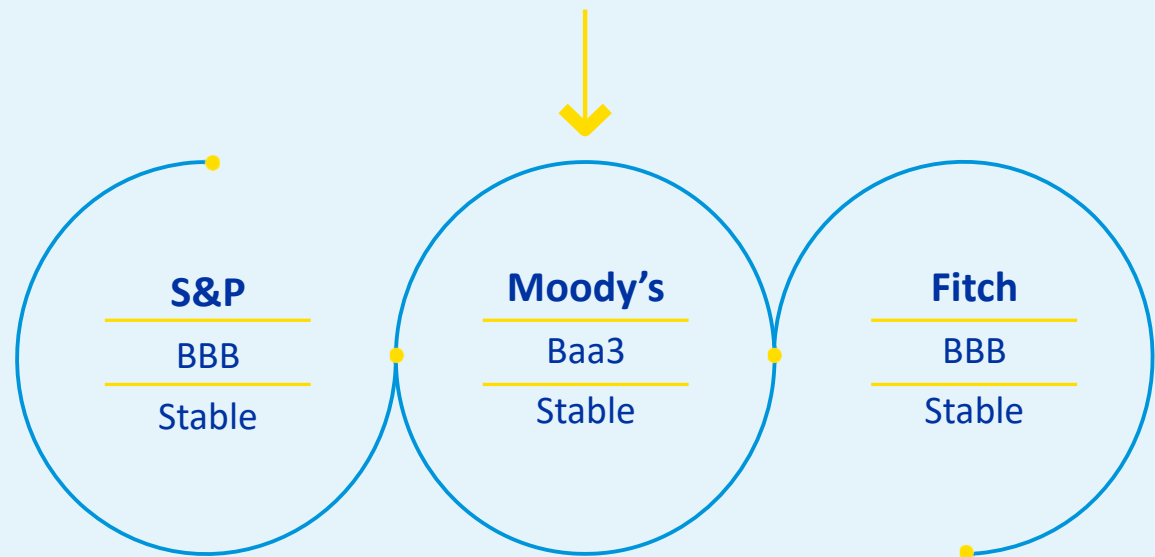
## COMMITTED TO INVESTMENT GRADE CREDIT RATINGS

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### Credit objectives:

1. Maintain our investment grade credit ratings
2. Maintain our target capital structure
3. Sustained cash flow-to-debt metrics > 12%
4. Sustained holdco debt-to-total debt < 40%

All rating agencies reaffirmed ratings and outlook in  
June & July 2022



## UPCOMING INVESTOR EVENTS

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- **Q3/22 Results & Analyst Call**  
November 11, 2022
- **Q4/22 Results & Analyst Call**  
February 2023
- **Investor Day**  
March 1-2, 2023



# Appendix



## CAPITAL FORECAST BY AFFILIATE

Capital Forecast <sup>1</sup>	2022F	2023F	2024F	2022-2024 Total
<b>US Operations</b>				
Tampa Electric	\$ 1,085	\$ 1,180	\$ 1,150	\$ 3,415
Peoples Gas	270	295	270	835
Seacoast Gas	15	30	30	75
New Mexico Gas	135	140	95	370
Emera Caribbean	100	70	70	240
<b>US Operations Capital Forecast (USD millions)</b>	<b>\$ 1,605</b>	<b>\$ 1,715</b>	<b>\$ 1,615</b>	<b>\$ 4,935</b>
FX rate assumption	1.30	1.30	1.30	
<b>US Operations Capital Forecast (CAD millions)</b>	<b>\$ 2,085</b>	<b>\$ 2,230</b>	<b>\$ 2,100</b>	<b>\$ 6,415</b>
<b>CAD Operations</b>				
Nova Scotia Power	\$ 530	\$ 585	\$ 585	\$ 1,700
Emera Newfoundland	240	-	-	240
Corporate & Other	5	15	5	25
<b>Total Baseline Forecast (CAD millions)</b>	<b>\$ 2,860</b>	<b>\$ 2,830</b>	<b>\$ 2,690</b>	<b>\$ 8,380</b>
Investments under Development (CAD millions)	10	210	815	1,035
<b>Capital Forecast (CAD millions)</b>	<b>\$ 2,870</b>	<b>\$ 3,040</b>	<b>\$ 3,505</b>	<b>\$ 9,415</b>



<sup>1</sup> In addition to capital spend, includes \$240M of additions to Emera's equity investment in LIL in 2022



## RATE BASE FORECAST BY AFFILIATE

Rate Base Forecast <sup>1</sup>	2020A	2020A Adjusted FX <sup>2</sup>	2021A	2022F	2023F	2024F	2020-2024 CAGR	2020-2024 CAGR Adjusted FX
<b>US Operations</b>								
Tampa Electric <sup>3</sup>	\$ 7,760	\$ 7,760	\$ 8,475	\$ 9,190	\$ 9,805	\$ 10,455	7.7%	
Peoples Gas <sup>3</sup>	1,315	1,315	1,605	1,885	2,105	2,305	15.1%	
Seacoast <sup>4</sup>	140	140	185	185	210	240	14.4%	
New Mexico Gas	635	635	705	785	865	925	9.9%	
Emera Caribbean	725	725	715	835	840	850	4.1%	
<b>US Operations Rate Base (USD millions)</b>	<b>\$ 10,575</b>	<b>\$ 10,575</b>	<b>\$ 11,685</b>	<b>\$ 12,880</b>	<b>\$ 13,825</b>	<b>\$ 14,775</b>	<b>8.7%</b>	
FX rate assumption	1.34	1.30	1.26	1.30	1.30	1.30		
<b>US Operations Rate Base (CAD millions)</b>	<b>\$ 14,170</b>	<b>\$ 13,750</b>	<b>\$ 14,725</b>	<b>\$ 16,745</b>	<b>\$ 17,975</b>	<b>\$ 19,210</b>	<b>7.9%</b>	<b>8.7%</b>
<b>CAD Operations</b>								
Nova Scotia Power	\$ 4,225	\$ 4,225	\$ 4,405	\$ 4,775	\$ 5,135	\$ 5,500	6.8%	
Maritime Link	1,840	1,840	1,780	1,745	1,685	1,630	-3.0%	
Labrador Island Link <sup>5</sup>	605	605	655	800	915	895	10.3%	
Emera New Brunswick <sup>4</sup>	450	450	440	435	425	415	-2.0%	
<b>Baseline Forecast (CAD millions)</b>	<b>\$ 21,290</b>	<b>\$ 20,870</b>	<b>\$ 22,005</b>	<b>\$ 24,500</b>	<b>\$ 26,135</b>	<b>\$ 27,650</b>	<b>6.8%</b>	<b>7.3%</b>
Investments under Development (CAD millions)	-	-	-	20	130	630		
<b>Rate Base Forecast (CAD millions)</b>	<b>\$ 21,290</b>	<b>\$ 20,870</b>	<b>\$ 22,005</b>	<b>\$ 24,520</b>	<b>\$ 26,265</b>	<b>\$ 28,280</b>	<b>7.4%</b>	<b>7.9%</b>

<sup>1</sup> Average rate base;

<sup>2</sup> USD/CAD exchange rate for 2020 updated to reflect forecasted average rate;

<sup>3</sup> Capital structures that support the rate base include deferred tax liabilities (DTL), a zero cost-of-capital component of the capital structure in Florida; 2020 capital structures included DTLs of \$1,200 million at Tampa Electric and \$200 million at Peoples Gas;

<sup>4</sup> Reflects the capital asset values of the regulated pipeline investments;

<sup>5</sup> Reflects Emera's equity investment in the project



## EMERA ENERGY QUARTERLY ADJUSTED EARNINGS CONTRIBUTION

Millions of Canadian dollars		Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22
Marketing and Trading	\$	(11)	11	37	(3)	(6)	19	25	(7)
Maritimes Canada		1	-	1	-	-	(2)	-	(1)
Bear Swamp		(2)	4	5	2	1	-	2	2
<b>Total Adjusted Net Income<sup>1</sup></b>	<b>\$</b>	<b>(12)</b>	<b>15</b>	<b>43</b>	<b>(1)</b>	<b>(5)</b>	<b>17</b>	<b>27</b>	<b>(6)</b>

Millions of Canadian dollars		2014	2015	2016	2017	2018	2019	2020	2021
Marketing and Trading Adjusted Net Income <sup>1</sup>	\$	68	44	22	15	53	5	8	46
Average (2014 to 2021)	\$	<b>33</b>							



<sup>1</sup> Adjusted net income is a non-GAAP financial measure

## NON-GAAP RECONCILIATION

For the	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Florida Electric	\$ 161	\$ 125	\$ 273	\$ 208
Canadian Electric	39	44	137	132
Gas Utilities and Infrastructure	39	34	116	114
Other Electric Utilities	8	-	9	7
Other	(12)	(5)	9	34
<b>Adjusted earnings before corporate costs</b>	<b>\$ 235</b>	<b>\$ 198</b>	<b>\$ 544</b>	<b>\$ 495</b>
Corporate	(79)	(61)	(146)	(115)
<b>Adjusted earnings attributable to common shareholders</b>	<b>\$ 156</b>	<b>\$ 137</b>	<b>\$ 398</b>	<b>\$ 380</b>
After-tax MTM loss <sup>1</sup>	(223)	(154)	(96)	(124)
NSPML unrecoverable costs <sup>2</sup>	-	-	(7)	-
<b>Net income (loss) attributable to common shareholders</b>	<b>\$ (67)</b>	<b>\$ (17)</b>	<b>\$ 295</b>	<b>\$ 256</b>



<sup>1</sup> Net of income tax recovery of \$91 million for the three months ended June 30, 2022 (2021- \$62 million recovery) and \$37 million recovery for the six months ended June 30, 2022 (2021- \$49 million recovery);

<sup>2</sup> Emera accounts for NSPML as an equity investment and therefore the after-tax unrecoverable costs were recorded in "Income from equity investments" on Emera's Condensed Consolidated Statements of Income