

# Fourth Quarter 2022



Thursday, February 23, 2023  
The meeting will begin at  
9:30 AM AT / 8:30 AM ET

# Forward Looking Information, Non-GAAP Measures & Other

## 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 and political 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; inflation 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 Q4 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.



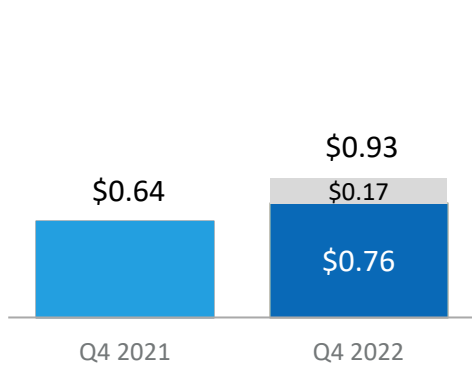
# Business Update

Scott Balfour  
PRESIDENT & CEO

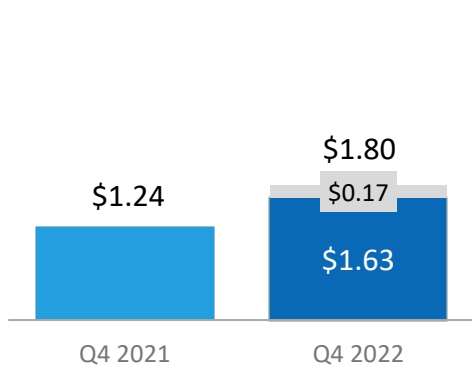


# Financial Highlights

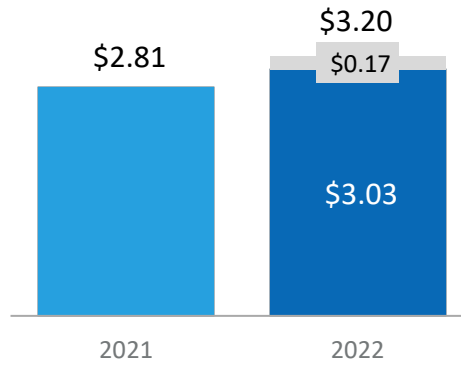
Q4 2022 Adjusted EPS<sup>1,2</sup>



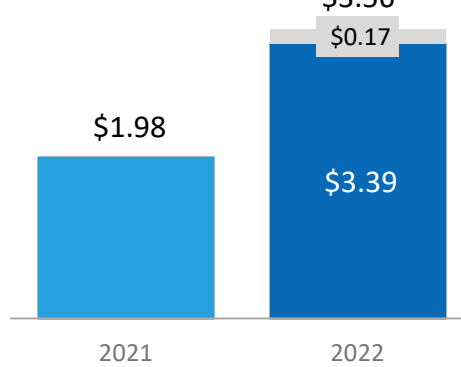
Q4 2022 Reported EPS<sup>2</sup>



2022 Adjusted EPS<sup>1,2</sup>



2022 Reported EPS<sup>2</sup>



## Highlights

- **19%** increase in quarterly adjusted EPS, and **8%** increase in annual adjusted EPS<sup>1</sup> excluding the impact of a \$45M litigation settlement<sup>2</sup>
- **\$2.6** billion of rate base investment in 2022, **9%** higher than in 2021
- Absent fuel and storm cost deferrals, cash from operations<sup>3</sup> increased **45%** compared to 2021



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

<sup>2</sup> 2022 results include the impact of a \$45 million after-tax litigation settlement recognized in the fourth quarter ("TGH Settlement"). Impact is \$0.17 on adjusted EPS

<sup>3</sup> Cash flow from operations before changes in working capital

# 2022 Operational Highlights

## Our capital deployment reflects our strategy in action

- Big Bend modernization completed safely, on time and on budget
- **1,000 MW** of solar in service at Tampa Electric
- **\$174M USD** invested in Storm Protection at Tampa Electric and **\$180M CAD** invested in the transmission & distribution system at NSPI, driving meaningful improvements in reliability

## Our strategy delivers for our customers and stakeholders

- Solar generation at Tampa Electric saved customers **~\$80M USD** in avoided fuel costs in 2022
- Maritime Link saved Nova Scotia Power customers **~\$100M CAD** in 2022<sup>1</sup>
- Asset management agreements at New Mexico Gas delivered **\$31M USD** of fuel cost savings to customers in 2022 and **\$13M USD** of value to shareholders



**\$2.6B**  
of rate base investments  
deployed in 2022



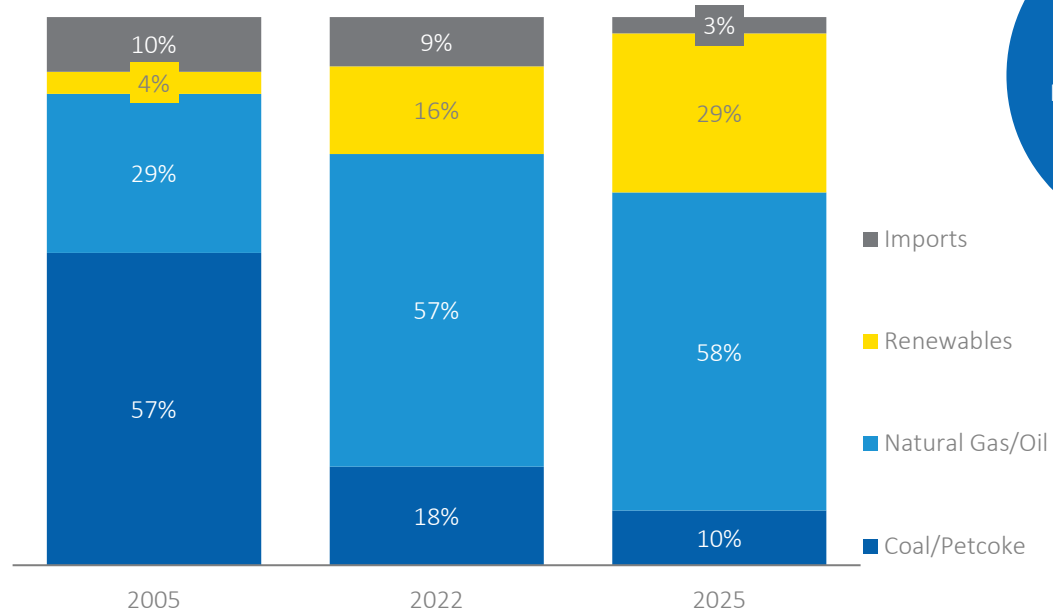
<sup>1</sup> Net savings based on \$250M benefit to customers and factoring in the total costs incurred by customers through rates.

# Delivering on Decarbonization

Solar deployment in Florida in combination with clean hydro energy from the Maritime Link have resulted in meaningful progress on decarbonization. On track to achieve 2025 climate commitment targets.

## Nova Scotia Power and Tampa Electric<sup>1,2</sup>

% OF GWh GENERATION<sup>3</sup>



**68%**  
Reduction in coal used for generation across Emera<sup>4</sup>



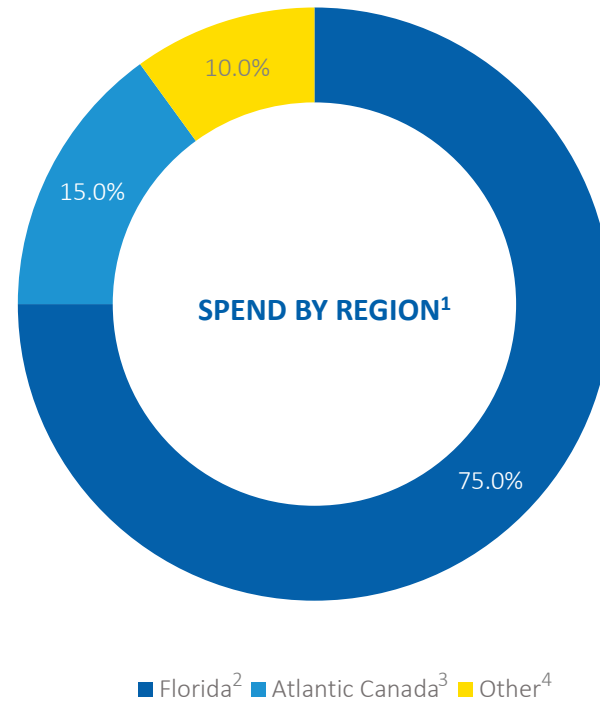
<sup>1</sup> Tampa Electric was acquired by Emera in 2016;  
<sup>2</sup> Reflects only currently committed projects;  
<sup>3</sup> Based on forecasted fuel prices;  
<sup>4</sup> Estimate. Compared to 2005 including Tampa Electric



# Capital Deployment Reflects Growth in Florida

## Highlights

- **\$8.4** billion of capital investment planned from 2023 through 2025
- 3-year capital plan drives consolidated forecasted rate base growth of **7-8%**
- **75%** of capital plan to be deployed in the state of Florida in support of customer growth, system reliability and grid hardening, renewable infrastructure and storage





# Regulatory Update

## 2022 Constructive Balanced Regulatory Outcomes

- 2022 GRA settlement agreement at NSPI substantially approved in February 2023
- Unopposed settlement agreement at New Mexico Gas approved in November 2022
- Interim rates at BLPC approved in September 2022. Please see update below
- TEC ROE adjustment approved in August 2022
- Final cost submission on Maritime Link approved in February 2022
- New rates approved at GBPC in January 2022

## 2023 Regulatory Calendar

- Decision related to storm and fuel cost recovery at TEC expected in March 2023
- PGS expects to file rate application in the first half of 2023 (test letter filed in February 2023)
- In February 2023, the regulator in Barbados issued a decision on the BLPC rate application and requested an additional compliance filing before setting final rates. BLPC expects a decision on final rates later in 2023. [7](#)



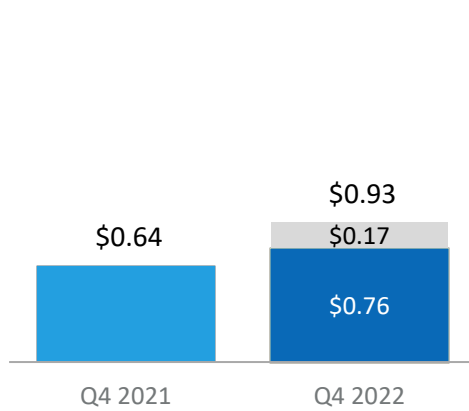
# Financial Highlights

Greg Blunden  
**CHIEF FINANCIAL OFFICER**

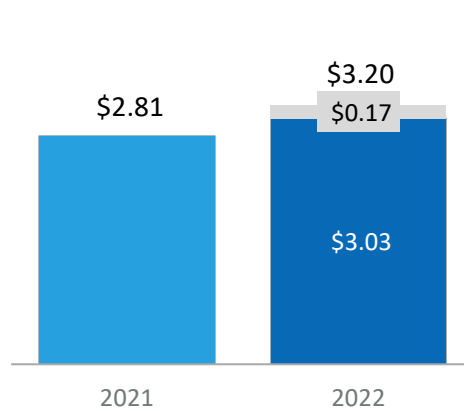


# Quarterly Highlights

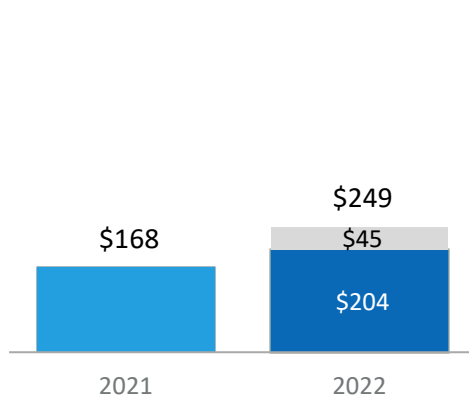
Q4 2022 Adjusted EPS<sup>1,2</sup>



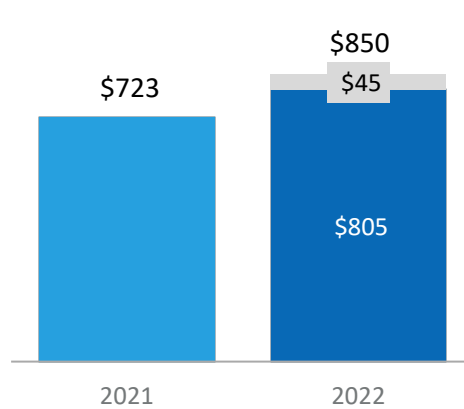
2022 Adjusted EPS<sup>1,2</sup>



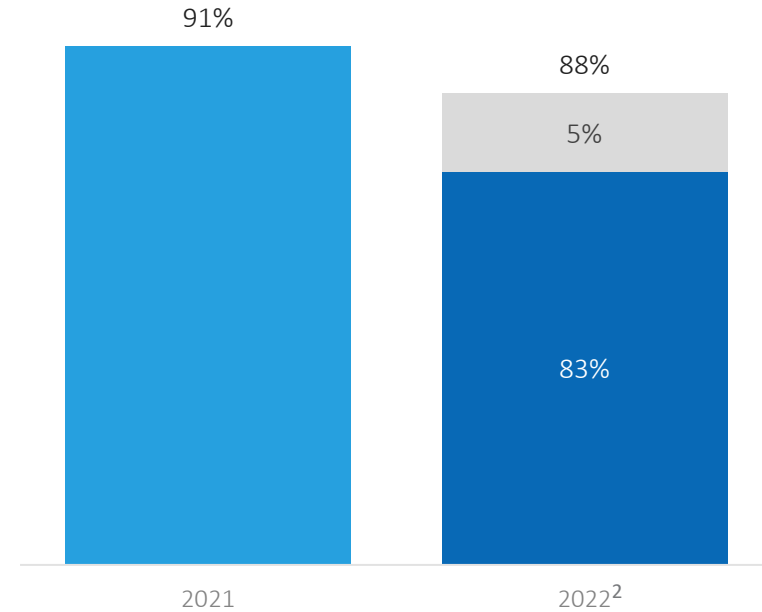
Q4 2022 Adjusted Net Income<sup>1,2</sup>



2022 Adjusted Net Income<sup>1,2</sup>



2022 Dividend Payout Ratio of Adjusted Net Income<sup>3</sup>



**3%**  
 Decrease in dividend payout ratio of adjusted net income<sup>3</sup>  
 based on adjusted net income<sup>1</sup> excluding the impact of the litigation settlement



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

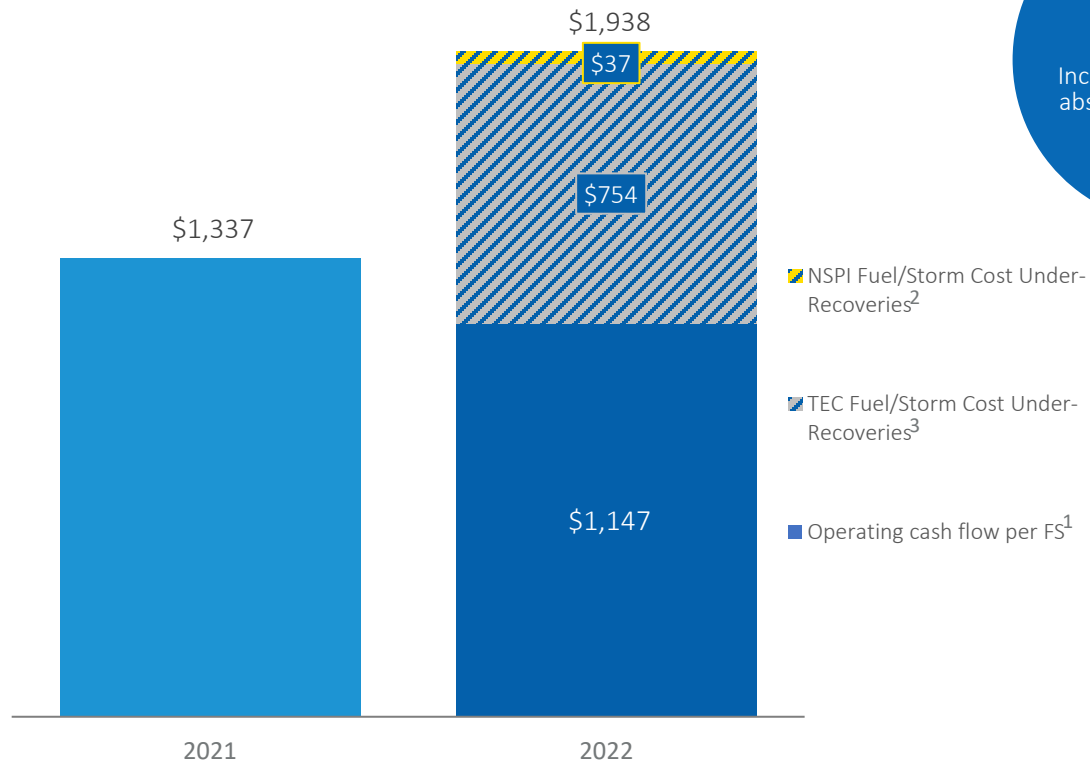
<sup>1</sup> Adjusted net income and adjusted EPS are a non-GAAP measure and non-GAAP ratio, respectively. See appendix for reconciliation to the nearest GAAP measure;

<sup>2</sup> 2022 results include the impact of a \$45 million litigation settlement. Impact is \$0.17 on adjusted EPS and 5% on dividend payout ratio of adjusted net income.

<sup>3</sup> Dividend payout ratio of adjusted net income is a non-GAAP ratio.

# Cash From Operations<sup>1</sup>

## 2022 Cash Flow from Operations before changes in working capital



**45%**  
Increase in cash flow<sup>1</sup>,  
absent fuel and storm  
cost deferrals

### Tampa Fuel & Storm Cost Recovery:

- Under-recovery of fuel and storm costs at Tampa Electric reduced operating cash flow by over \$750M CAD in 2022
- In January 2023, Tampa Electric filed with the FPSC for recovery of both the 2022 fuel and storm under-recoveries
- Collection of storm costs requested over 12 months
- Collection of fuel costs requested over 21 months to reduce cost impact on customers
- Decision expected in March 2023 for recovery beginning April 1, 2023

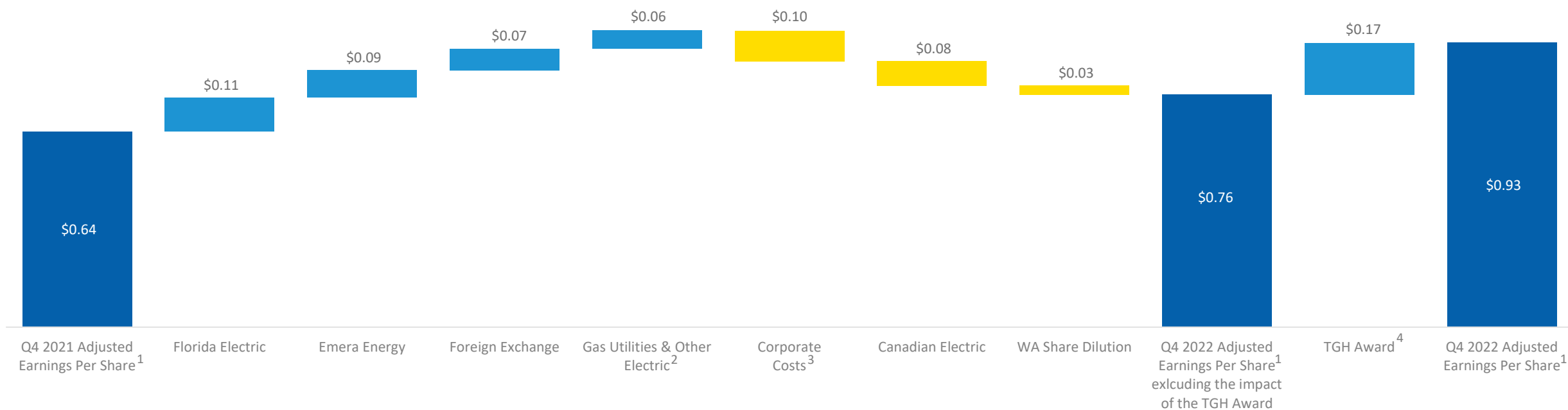
<sup>1</sup> Operating cash flow before changes in working capital

<sup>2</sup> Includes NSPI fuel and storm cost under-recoveries of \$13M CAD and \$24M CAD, respectively;

<sup>3</sup> Includes TEC fuel and storm cost under-recoveries of \$446M USD (\$590M CAD) and \$121M USD (\$164M CAD), respectively;

# Q4 2022 Adjusted EPS Waterfall

## Q4 2022 Adjusted EPS<sup>1</sup>



Note: Segment impacts exclude the impact of changes in foreign exchange rates

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

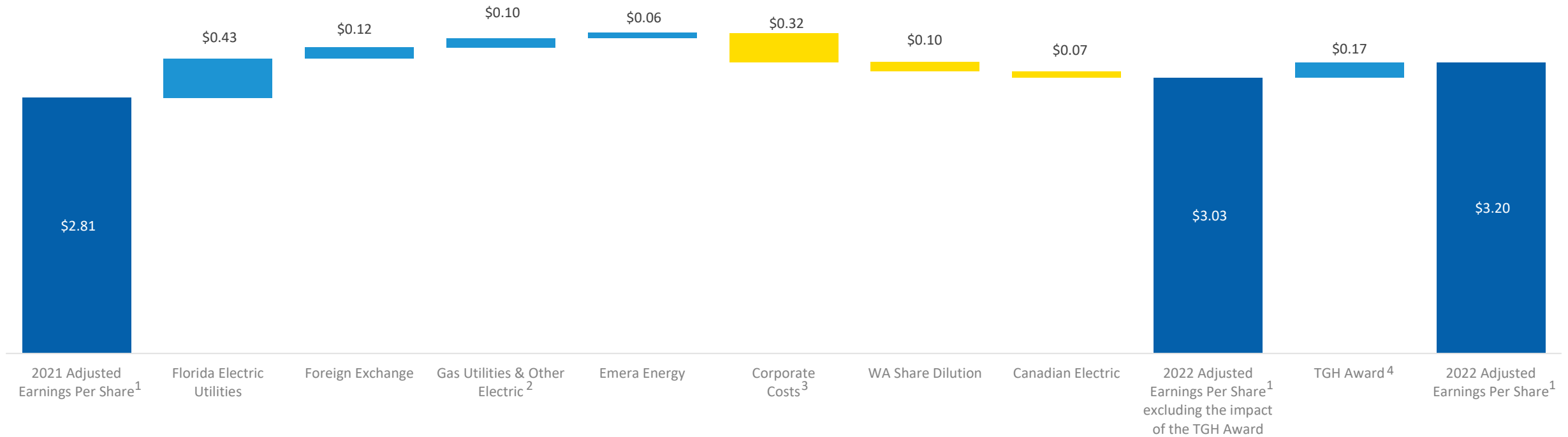
<sup>2</sup> Includes \$0.05 and \$0.01 from Gas Utilities and Other Electric, respectively

<sup>3</sup> Includes (\$0.08) impact from timing of long-term compensation and related hedges and a (\$0.02) impact from realized losses on foreign exchange hedges compared to gains in 2021

<sup>4</sup> 2022 results include the impact of a \$45 million litigation award recognized in the fourth quarter ("TGH Award"). Impact is \$0.17 on adjusted EPS

# 2022 Adjusted EPS Waterfall

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



Note: Segment impacts exclude the impact of changes in foreign exchange rates

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

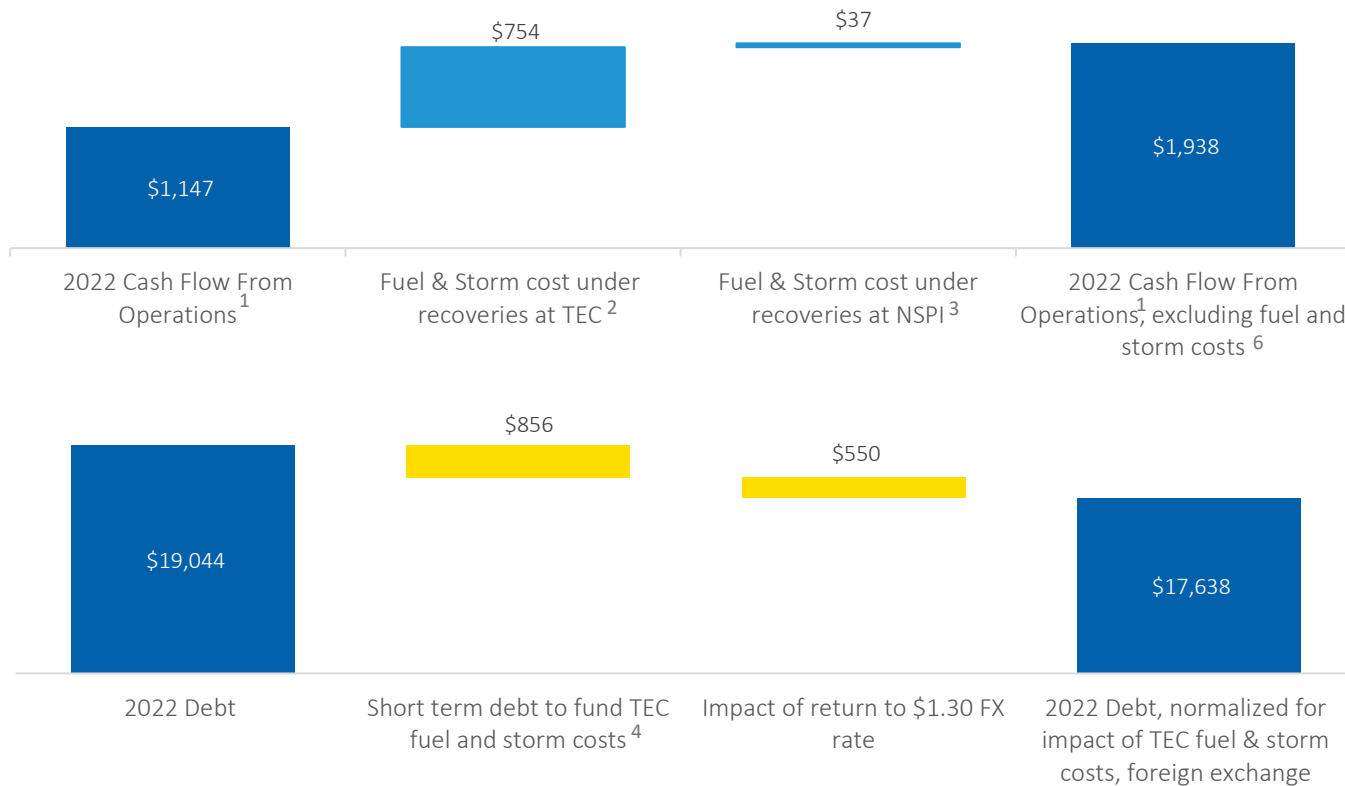
<sup>2</sup> Includes \$0.07 and \$0.03 from Gas Utilities and Other Electric, respectively

<sup>3</sup> Includes (\$0.21) impact from timing of long-term compensation and related hedges and a (\$0.07) impact from realized losses on foreign exchange hedges compared to gains in 2021

<sup>4</sup> 2022 results include the impact of a \$45 million litigation award recognized in the fourth quarter ("TGH Award"). Impact is \$0.17 on adjusted EPS

# Normalized Cash Flow and Debt

in millions of CAD



<sup>1</sup> Operating cash flow before changes in working capital

<sup>2</sup> Includes TEC fuel and storm cost under-recoveries of \$446M USD (\$590M CAD) and \$121M USD (\$164M CAD), respectively;

<sup>3</sup> Includes NSPI fuel and storm cost under-recoveries of \$13M CAD and \$24M CAD, respectively;

<sup>4</sup> Includes \$518M USD (\$685M CAD) of fuel costs and \$130M USD (\$168M CAD) of storm costs at Tampa Electric

<sup>5</sup> CFO/Debt is a financial measure specific to credit metric calculations that is not intended to represent any financial measure as defined by GAAP. The calculation of this measure as presented may not be comparable to similarly titled measures used by other companies.

<sup>6</sup> Average FX rate on cash flow in 2022 was \$1.30

## Considerations:

- Absent fuel and storm costs in 2022, cash flow from operations before working capital would have increased 45% compared to 2021
- Regulatory requirement at Tampa Electric to fund fuel under-recoveries with short term debt, inflates short term debt balances in 2022. Clarity on recovery of balances expected in Q1
- Approximately 70% of Emera's debt portfolio is USD. Therefore, year-end FX rate of \$1.35 inflates debt balances on conversion to CAD with no actual economic exposure
- Based on the cash flow and debt measures to the left, excluding the impact of fuel & storm costs and updated for a \$1.30 foreign exchange rate – we view our normalized CFO/Debt<sup>5</sup> as ~11%





# Upcoming Investor Events

## **BoA Power, Utilities & Clean Energy Leaders Conference**

- February 28<sup>th</sup> – March 1<sup>st</sup>, 2023

## **Investor Day**

- March 1<sup>st</sup> – 2<sup>nd</sup>, 2023

## **UBS Midwest Round Robin**

- March 28<sup>th</sup>, 2023

## **Scotiabank Utilities & Renewables Conference**

- March 29<sup>th</sup>, 2023

## **Q1 2023 Results & Analyst Call**

- May 11<sup>th</sup>, 2023

# Appendix





# Capital Forecast by Affiliate

	2023F <sup>1</sup>	2024F	2025F	2023–2025 Total
<b>US OPERATIONS</b>				
Tampa Electric	\$ 1,310	\$ 1,315	\$ 1,170	\$ 3,795
Peoples Gas	340	340	355	1,035
New Mexico Gas	120	125	135	380
Emera Caribbean	80	80	80	240
<b>US OPERATIONS CAPITAL FORECAST (USD millions)</b>	<b>\$ 1,850</b>	<b>\$ 1,860</b>	<b>\$ 1,740</b>	<b>\$ 5,450</b>
FX rate assumption	1.30	1.30	1.30	
<b>US OPERATIONS CAPITAL FORECAST (CAD millions)</b>	<b>\$ 2,405</b>	<b>\$ 2,420</b>	<b>\$ 2,260</b>	<b>\$ 7,085</b>
<b>CAD OPERATIONS</b>				
Nova Scotia Power	\$ 360	\$ 350	\$ 360	\$ 1,070
Emera Newfoundland	250	-	-	250
Corporate & Other	5	5	5	15
<b>CAPITAL FORECAST (CAD millions)</b>	<b>\$ 3,020</b>	<b>\$ 2,775</b>	<b>\$ 2,625</b>	<b>\$ 8,420</b>



<sup>1</sup> In addition to capital spend, includes \$240M of additions to Emera's equity investment in LIL in 2023

# Rate Base Forecast by Affiliate<sup>1</sup>

	2021A	2021A Adjusted FX <sup>2</sup>	2022A	2023F	2024F	2025F	21'–25' CAGR	21'–25' CAGR Adjusted FX
<b>US OPERATIONS</b>								
Tampa Electric <sup>3</sup>	\$ 8,475	\$ 8,475	\$ 9,480	\$ 11,060	\$ 11,080	\$ 11,755	8.5%	
Peoples Gas <sup>3</sup>	1,605	1,605	1,880	2,210	2,440	2,675	13.6%	
Seacoast Gas <sup>4,5</sup>	185	185	195	180	180	175	-1.4%	
New Mexico Gas	705	705	770	845	900	975	8.4%	
Emera Caribbean	650	650	695	775	820	870	7.5%	
<b>US OPERATIONS RATE BASE (USD millions)</b>	<b>\$ 11,620</b>	<b>\$ 11,620</b>	<b>\$ 13,020</b>	<b>\$ 15,070</b>	<b>\$ 15,420</b>	<b>\$ 16,450</b>	<b>9.1%</b>	
FX rate assumption	1.26	1.30	1.35	1.30	1.30	1.30		
<b>US OPERATIONS RATE BASE (CAD millions)</b>	<b>\$ 14,640</b>	<b>\$ 15,105</b>	<b>\$ 17,575</b>	<b>\$ 19,590</b>	<b>\$ 20,045</b>	<b>\$ 21,385</b>	<b>9.9%</b>	<b>9.1%</b>
<b>CAD OPERATIONS</b>								
Nova Scotia Power	\$ 4,405	\$ 4,405	\$ 4,610	\$ 5,030	\$ 5,335	\$ 5,520	5.8%	
Maritime Link	1,780	1,780	1,700	1,660	1,605	1,545	-3.5%	
Labrador Island Link <sup>6</sup>	655	655	710	930	910	895	8.1%	
Emera New Brunswick <sup>4</sup>	440	440	430	415	400	385	-3.3%	
<b>RATE BASE FORECAST (CAD millions)</b>	<b>\$ 21,920</b>	<b>\$ 22,385</b>	<b>\$ 25,025</b>	<b>\$ 27,625</b>	<b>\$ 28,295</b>	<b>\$ 29,730</b>	<b>7.9%</b>	<b>7.4%</b>



<sup>1</sup> Average rate base; <sup>2</sup> USD/CAD exchange rate for 2021 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; 2021 capital structures included DTLs of \$1,200 million at Tampa Electric and \$245 million at Peoples Gas; <sup>4</sup>Reflects the capital asset values of the regulated pipeline investments; <sup>5</sup>Includes net investment in capital leases; <sup>6</sup>Reflects Emera's equity investment in the project

# Foreign Exchange and Interest Rate Exposure

## Foreign Exchange Exposure

As of December 31, 2022	Approximate % of USD Earnings Hedged	Rate
2023	52%	1.31
2024	24%	1.31

## Interest Rate Exposure

As of December 31, 2022	Notional amount (in millions of CAD)	Percentage of total debt
<b>Total Debt (Short term + long term)</b>		
Variable Rate @ HoldCos	\$1,680	9%
Variable Rate @ OpCos <sup>1</sup>	\$2,800	15%
<b>Preferred shares</b>		
Series C Rate Reset in Aug 2023 Current rate 4.10% (5-year GOC + 2.65%)	\$250	-
Series H Rate Reset in Aug 2023 Current rate 4.90% (5-year GOC + 2.54%)	\$300	-



# Emera Energy Quarterly Adjusted Earnings Contribution

Millions \$CAD		Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22	Q4/22
Marketing & Trading	\$	37	(3)	(6)	19	25	(7)	8	39
Maritimes Canada		1	-	-	(2)	-	(1)	(1)	(3)
Bear Swamp		5	2	1	-	2	2	1	5
<b>TOTAL ADJUSTED NET INCOME<sup>1</sup></b>	<b>\$</b>	<b>43</b>	<b>(1)</b>	<b>(5)</b>	<b>17</b>	<b>27</b>	<b>(6)</b>	<b>8</b>	<b>41</b>

Millions \$CAD		2015	2016	2017	2018	2019	2020	2021	2022
<b>MARKETING &amp; TRADING</b>									
Marketing & Trading Adjusted Net Income <sup>1</sup>	\$	44	22	15	53	5	8	46	65
Average (2015 – 2022)	<b>\$</b>	<b>32</b>							



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

# Non-GAAP Reconciliation

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Florida Electric	\$ 124	85	596	462
Canadian Electric	46	67	222	241
Gas Utilities & Infrastructure	72	55	221	198
Other Electric Utilities	8	5	29	20
Other, excluding corporate costs	36	13	49	33
<b>Adjusted net income before corporate costs</b>	<b>\$ 286</b>	<b>225</b>	<b>1,117</b>	<b>954</b>
Corporate Costs	(37)	(57)	(267)	(231)
<b>Adjusted net income attributable to common shareholders</b>	<b>\$ 249</b>	<b>168</b>	<b>850</b>	<b>723</b>
After-tax MTM gain (loss) <sup>1</sup>	307	156	175	(213)
Impairment charge, net of tax <sup>2</sup>	(73)	-	(73)	-
NSPML unrecoverable costs <sup>3</sup>	-	-	(7)	-
<b>Net income attributable to common shareholders</b>	<b>\$ 483</b>	<b>324</b>	<b>945</b>	<b>510</b>
Weighted average shares of common stock outstanding	269.0	260.8	265.5	257.2
<b>Adjusted EPS - basic</b>	<b>\$ 0.93</b>	<b>0.64</b>	<b>3.20</b>	<b>2.81</b>
After-tax MTM gain (loss) <sup>1</sup> – per share impact	1.14	0.60	0.66	(0.83)
Impairment charge, net of tax <sup>2</sup> – per share impact	(0.27)	-	(0.27)	-
NSPML unrecoverable costs <sup>3</sup> – per share impact	-	-	(0.03)	-
<b>Reported EPS - basic</b>	<b>\$ 1.80</b>	<b>1.24</b>	<b>3.56</b>	<b>1.98</b>



<sup>1</sup> Net of income tax expense of \$124 million for the three months ended December 31, 2022 (2021 – \$63 million expense) and \$73 million expense for the year ended December 31, 2022 (2021 – \$86 million recovery)

<sup>2</sup> Net of income tax expense of nil for the three months and year ended December 31, 2022 (2021 – nil)

<sup>3</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 Consolidated Statements of Income