



## ANNUAL MEETING OF SHAREHOLDERS

**MAY 23, 2022**

# Speakers:



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



**A. Bruce O'Connor**  
Sr. Vice President,  
Treasurer & Chief  
Financial Officer



**Jay L. Kooper**  
Vice President,  
General Counsel &  
Secretary



# 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.





# MSEX Milestones

125 Years of water utility service.

30<sup>th</sup> Anniversary of the acquisition of Tidewater Utilities.

40<sup>th</sup> Anniversary NASDAQ Listing.

Added to the Standard & Poor's Small Cap 600 Index.



## 2021 Financial Highlights

Revenues.....\$143.1M

Net Income.....\$ 36.5M

Earnings Per Share.....\$ 2.07



# First Quarter Results (Millions)

	2022	2021
Operating Revenues	\$36.2	\$32.5
O & M Expenses	\$19.1	\$18.4
Gain on Subsidiary Sale	\$ 5.2	\$ -
Net Income	\$12.1	\$ 6.9
Earnings Per Share	\$ 0.69	\$ 0.39

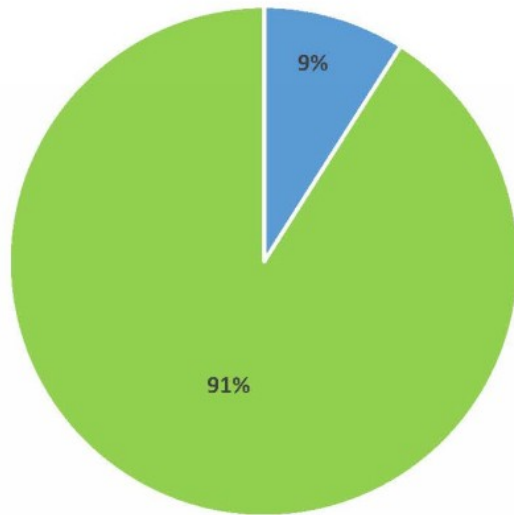


# Sale of Subsidiary

- Regulated Delaware wastewater utility - sold in January 2022.
- Limited growth opportunities.
- Utility plant investment headwinds.
- Other Delaware regulated and non-regulated businesses to continue.

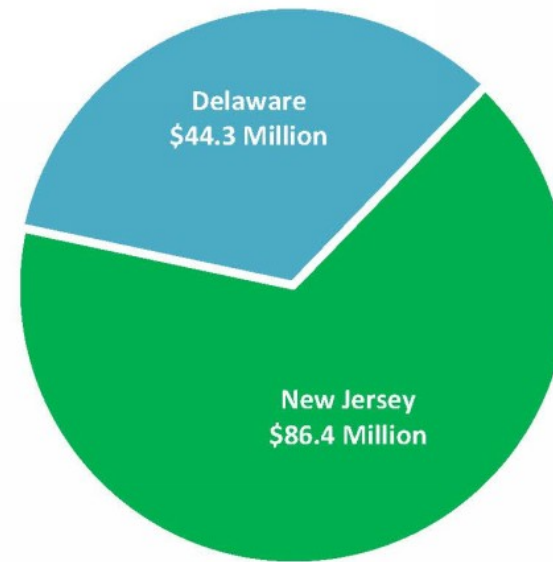


# Revenue



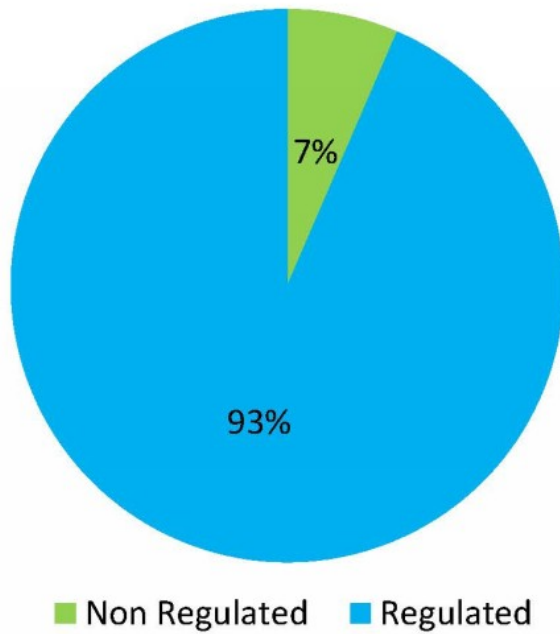
■ Non Regulated ■ Regulated

## Regulated

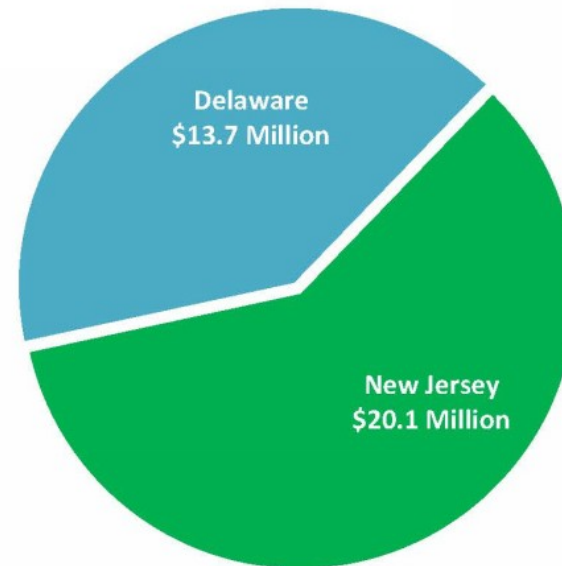




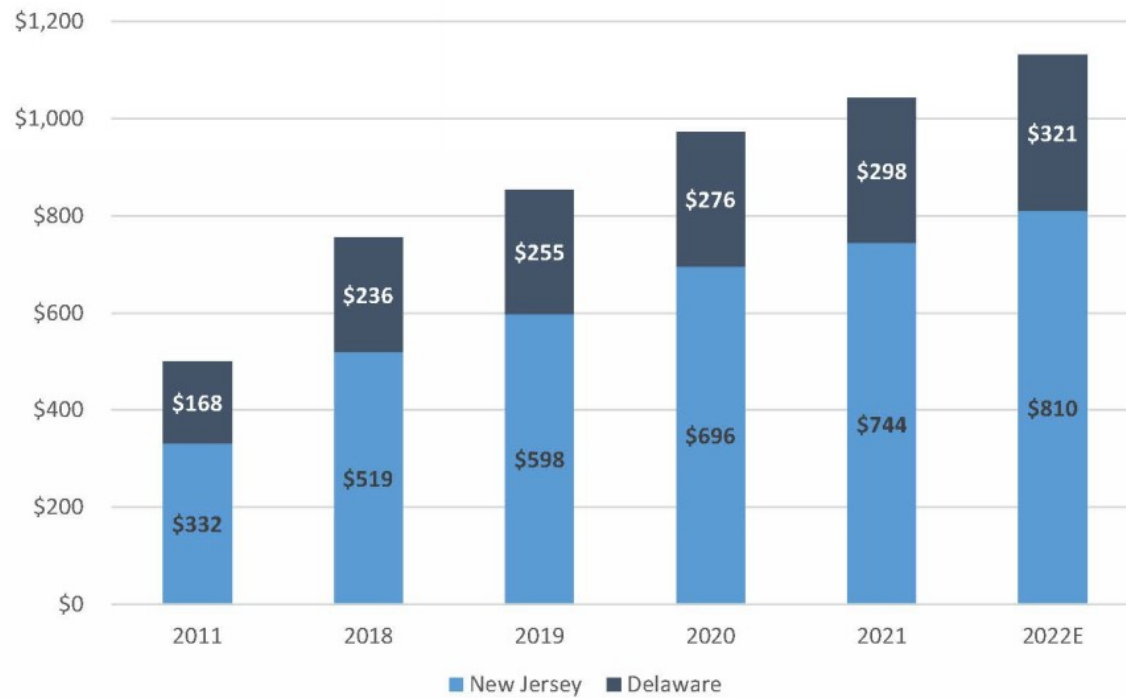
# Net Income



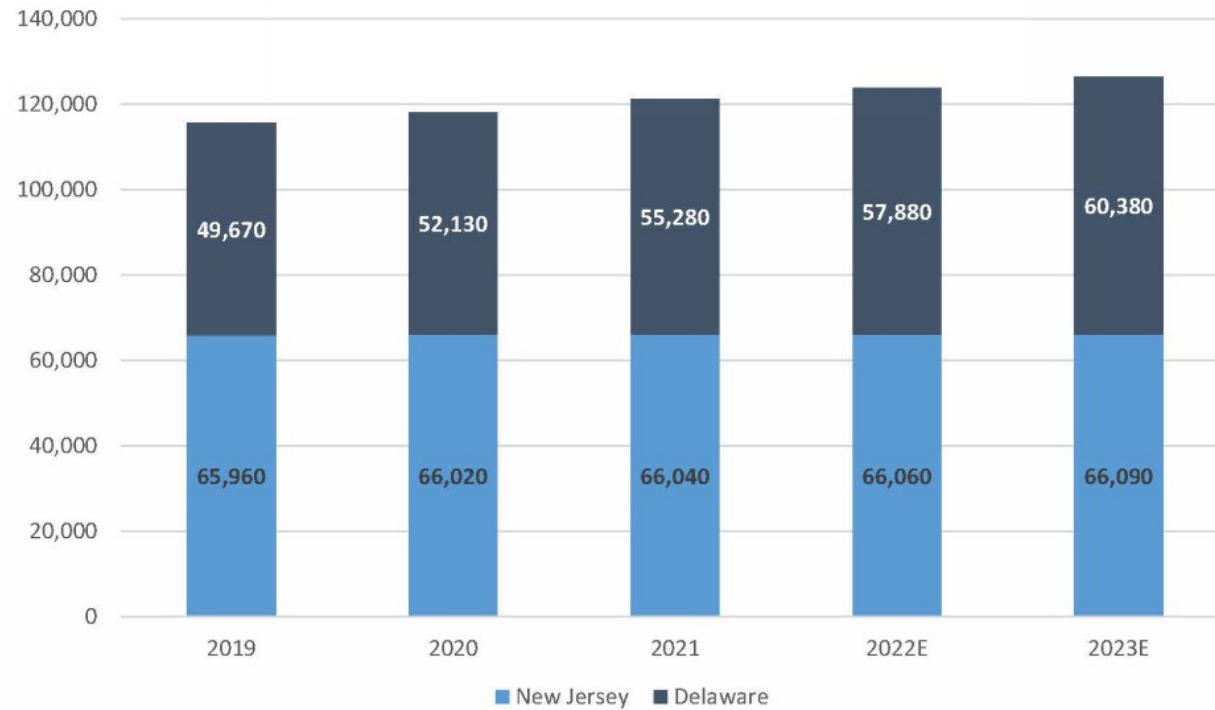
## Regulated



# Utility Plant (Millions)



# Customers



# Capital Expenditures (Estimated)

(Millions)



	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2022-2024</u>
<b>Distribution Systems</b>	50	54	45	149
<b>Production Systems</b>	33	21	3	57
<b>IT Systems</b>	4	1	2	7
<b>Other</b>	3	5	8	16
<b>Total</b>	\$ 90	\$81	\$58	\$229





# Capital Project Funding

- Cash Flow From Operations.
- Lines of Credit.
- Remaining Proceeds 2021 DESRF Loan.
- Common Stock Reinvestment Plan.
- Private Placement Debt.

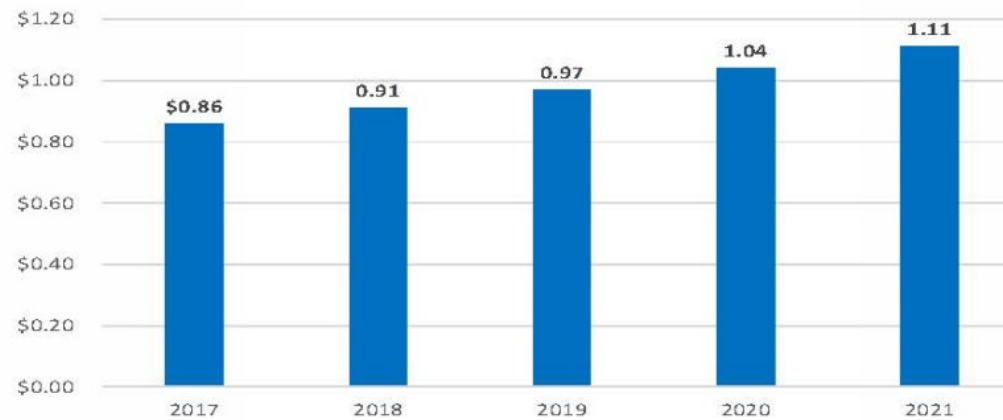


# 3% Stock Purchase Discount

- On purchases of MSEX Common Stock through the Company's Investment Plan (the "Plan").
- Purchases by optional cash payment and/or by dividend reinvestment.
- Began September 2021 and continues until 200,000 shares are purchased at the discounted price or August 1, 2022, whichever occurs first.
- Proceeds will help fund our Water For Tomorrow® infrastructure investment program to ensure system reliability, resiliency and service quality for current and future generations of water users.

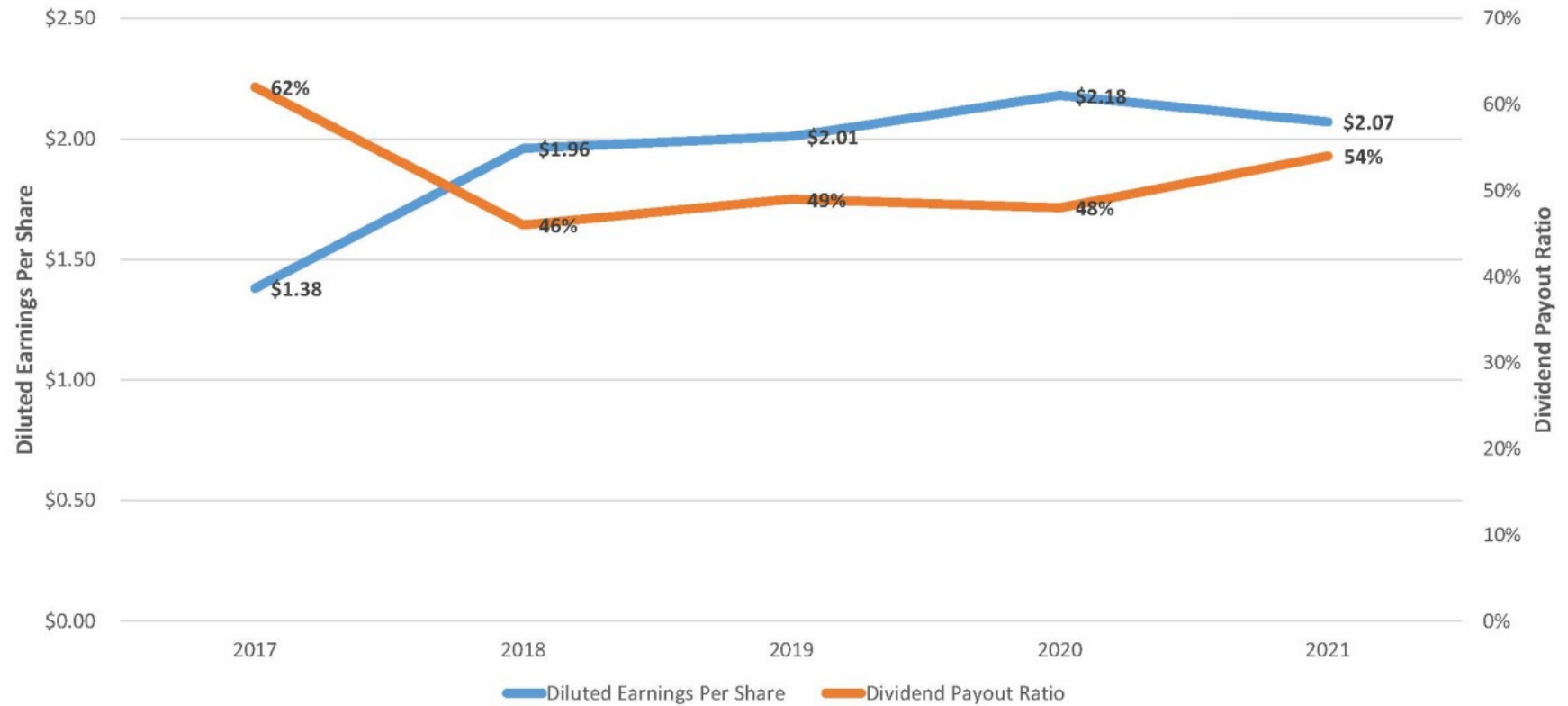
# Dividends Paid

**Dividend increased by 6.4% in October 2021.**  
**Annual Dividend Rate: \$1.16 per share**



## Diluted EPS

## Payout Ratio





## OPERATIONS HIGHLIGHTS





# Ozone Plant & Associated Upgrades

\$70 million investment in drinking water treatment and electrical upgrades to support service in extended adverse weather events





# New Treatment Mitigates Disinfection By-Products & Emerging Contaminants



# Park Avenue Plant Interim Treatment



Partial Interim Treatment to begin May 2022 with full plant completion expected by July 2023.





## RENEW 2021

\$10.2 Million project completed in Borough of Metuchen, NJ

4 Miles of main including service lines, valves and fire hydrants were upgraded



## RENEW 2022

\$7.9 Million project under way in Woodbridge NJ

4.5 Miles of main including service lines, valves and fire hydrants are being upgraded

Lead Service Line Replacement  
Pilot Program  
Now Part of RENEW 2022

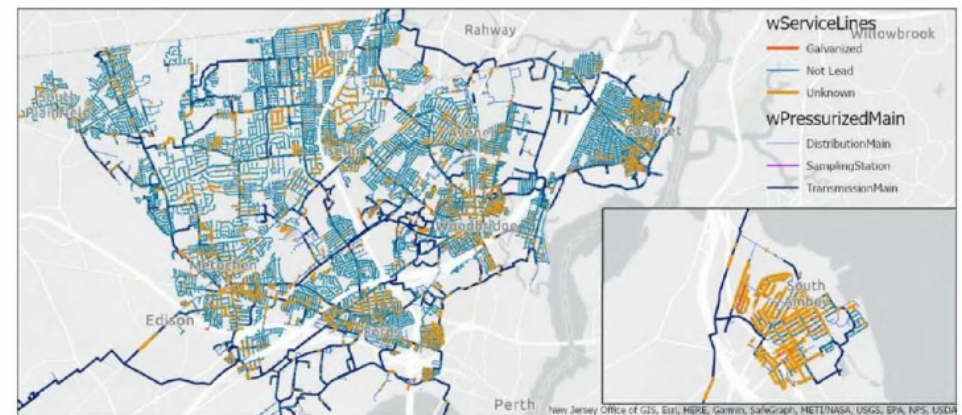
# Lead Service Line Replacement



In accordance with the New Jersey Legislation signed into law on July 22, 2021, utilities must replace the entire length of the lead or galvanized steel service line from the water main in the street to the water meter on the home or building owner's property within 10 years.



## MWCo Inventory



# Emergency Preparedness



Georgia Simpson named  
Chief Technology Officer



MWC Teams participate in the Broken Silos Emergency Drill



# Governance Update



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

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



In August 2021, the Board of Directors of  
Middlesex Water Company adopted a new and  
expanded Code of Ethics for Directors, Officers,  
Employees and Suppliers. The expanded code,  
includes a Code of Business Conduct and Ethics  
for the Board and also a Supplier Code of  
Conduct providing added guidelines for vendor  
business conduct.

# Our Sustainability Journey

## Continuing Our Progress

- ✓ Improved transparency and disclosure
- ✓ Greater engagement with rating agencies
- ✓ Now tracking carbon emissions in NJ and DE
- ✓ Enhanced dialogue and training related to Diversity, Equity and Inclusion
- ✓ Remote work model adopted to ensure work life balance
- ✓ Expanded Insider Trading Policy and team training
- ✓ Expanded Code of Conduct now includes Supplier Conduct Guidelines
- ✓ Increased cybersecurity training
- ✓ More stringent capital project management and procurement policies



# **Time Allotted for Shareholder Questions**





**Thank you for  
participating in our  
ANNUAL MEETING.**

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