

Enersource Corporation

2020 Financial Results

**Presentation to City of Mississauga
General Committee
May 26, 2021**

Enersource Corporation - 2020

- **Board of Directors:**
 - David Warner, Chair
 - Linda Kuga Pikulin, Board Member
 - Karen Ras (Councillor), Board Member
 - Jennifer Guerard, Board Member (BPC Energy)
- **CEO:**
 - Shawn Slack (City appointee May 7, 2021)
 - Formerly Gary Kent

2020 Board Meetings

- 4 quarterly Board Meetings in 2020:

April 21st, June 26th, Oct. 13th, Dec. 18th, 2020:

- met with Alectra management to review Alectra financial statements and operating matters
- review bank debt, repayments, and cash flow

- April 27th, 2021:

- approved the 2020 audited Enersource Financial Statements

Alectra Utilities Shareholders

Ownership %'s

Enersource Corporation	29.57%
Vaughan Holdings	20.50%
Hamilton Utilities	17.30%
Markham Enterprises	15.00%
Barrie Hydro	8.40%
St. Catharines Hydro	4.60%
Guelph	4.60%

City Investment in Enersource Corp. (90%)



Opening Balance

City's share of Net Income in Enersource Corporation

Equity on gain of exchange of Investment in Enersource Hydro

City share of dilution gain recognized on Alectra's amalgamation with Guelph

City Share of Dividend

Closing Balance

2020	2019	2018	2017
\$498.8	\$502.4	\$485.0	\$281.0
\$17.4	\$10.8	\$30.3	\$14.2
			\$202.7
	\$1.3		
-\$17.7	-\$15.7	-\$12.9	-\$12.9
\$498.5	\$498.8	\$502.4	\$485.0

Enersource Dividends in 2020

Received from Alectra in 2020:

- **\$23.6 million** (2019 23.9 million) received which represents dividends for Q4 2019 & Q1-3 2020.
- Alectra paid Enersource **\$10.5 million** on March 19th, 2021, representing Q4, 2020.

Enersource Dividends Paid to City and Borealis in 2020:

- **\$19.7 million** (2019 17.4 million) was paid in 2020
 - **90% to City - \$17.7M**
 - **10% to Borealis - \$2.0M**

Enersource 2020 Financial Statements Summary^{7.1}

	(millions)	
<u>Statement of Financial Position</u>	2020	2019
Cash	\$7.3	\$6.8
Prepays	\$0.0	\$0.1
Investment in Alectra	\$597.8	\$600.2
Interest Rate Swap	\$0.0	\$0.3
Total Assets	\$605.1	\$607.4
Accounts Payable	\$0.0	\$0.1
Debt	\$50.6	\$53.1
Interest Rate Swap	\$0.6	\$0.0
Total Liabilities	\$51.2	\$53.2
Share Capital	\$175.7	\$175.7
Accumulated Other Comprehensive Loss	-\$7.3	-\$6.1
Retained Earnings	\$385.5	\$384.6
Total Shareholders Equity	\$553.9	\$554.2
Total Liabilities and Shareholders Equity	\$605.1	\$607.4

* numbers may be slightly off due to rounding

	(millions)	
<u>Statement of Income</u>	2020	2019
Share of income in Alectra	\$22.3	\$18.0
Share of other comprehensive loss from Investment in Alectra	-\$1.2	-\$4.4
Dilution gain on Alectra's acquisition of Guelph Hydro	\$0.0	\$1.4
Interest income	\$0.1	\$0.2
Debt expense	-\$1.0	-\$1.4
Admin Expenses	-\$0.2	-\$0.4
Unrealized fair loss value on interest rate swap	-\$0.6	\$0.0
Income Tax Recovery		
Total comprehensive income for the year	\$19.4	\$13.4

* numbers may be slightly off due to rounding

Enersource Cash Flow

	(millions)		
	2020	2019	Change vs Prior Year
Cash From Operating Activities	-\$2.0	-\$0.2	-\$1.8
Dividends received from Alectra	\$23.6	\$23.9	-\$0.3
Dividends Paid to City	-\$17.7	-\$15.7	-\$2.0
Dividends Paid to Borealis	-\$2.0	-\$1.7	-\$0.3
Interest Income	\$0.1	\$0.2	-\$0.1
Debt Repayment	-\$2.5	-\$2.5	\$0.0
Interest Repaid	\$1.0	-\$1.4	\$2.4
Increase in Cash During Year	\$0.5	\$2.6	
Ending Cash Balance	\$7.3	\$6.8	\$0.5

*amounts may be slightly off due to rounding

Forecasted Dividends in 2021

7.1

April 27th, 2021:

- Board approved Q1 quarterly dividend payment of \$4,639,000:
 - City received \$4,175,100
 - Borealis received \$463,900

Forecast for Remaining 2021 Dividend Payments (Q2 to Q4):

- Board expects to maintain same dividend payout level for the remainder of the year

THANK YOU