

# **Guelph Municipal Holdings Inc. (GMHI)**

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2023 Annual Report to Shareholders  
Guelph City Council Meeting  
June 15, 2024

# 2023 snapshot

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- Investment in Alectra Utilities Inc. is \$104.5 million (increase of \$3.5 million over 2022).
- Cash, accounts receivable and related party receivables total \$3.4 million.
- \$3.5 million of dividends were received from Alectra Utilities Inc.; GMHI remitted dividends to the City of Guelph as budgeted at \$3.8 million.
- The City of Guelph's investment in GMHI increased by \$2.1 million from the prior year.

# 2023 snapshot

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- GMHI's equity share of Alectra Utilities Inc. rose by \$3.7 million compared to 2022.
- GMHI continues to hold a \$400 thousand security deposit on the district energy sale; this generated \$107 thousand of interest income for the entire year.
- Residual commitments related to the disposition of the district energy assets were compensated in 2023 as budgeted.

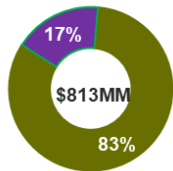
# 2023 snapshot

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- In summary, GMHI continues to be a contributing asset to the City of Guelph, generating ongoing dividends and stable investment value.
- Although not updated at the recent Annual General Meeting, prior meetings substantiated that the City of Guelph continues to receive a positive rate of return from the merger.

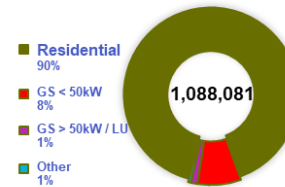
# 2023 highlights

## Revenues



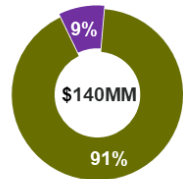
- ✓ 2023 distribution revenue increased by \$13.7MM (1.7%) year-over-year, primarily due to higher revenue recovered from higher OEB approved rates driven by higher inflationary adjustments

## Regulated Customers



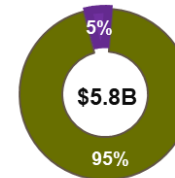
- ✓ Steadily increasing customer base

## Net Income



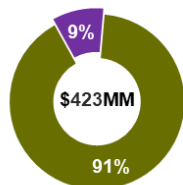
- ✓ 2023 net income of \$139.7MM (MIFRS) is \$17.3MM higher than 2022 and is above budget by \$3.0MM

## Assets



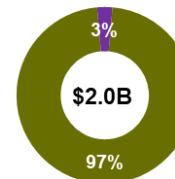
- ✓ Increase in assets commensurate with required additions to net distribution assets along with associated increases in working capital and other assets required to service customers

## EBITDA



- ✓ EBITDA from the competitive businesses decreased from 12% in 2022 to 9% in 2023 primarily due to lower storm response earnings

## Shareholders' Equity



- ✓ Cumulative earnings less dividends since the merger in 2017 has increased shareholders' equity by approximately \$370MM

\*As reported under Modified International Reporting Standards (MIFRS)

Legend: **Green** – Regulated **Purple** - Competitive

# 2023 risks

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- Alectra Utilities Corporation, like other electricity distributors in Ontario, is subject to sector-specific risks that must be managed to ensure sustainable returns.
- Sector-specific risks are: Regulatory, Financial, Strategic, and Operational.
- Alectra Utilities Corporation has adopted an enterprise-wide approach to risk management, which supports routine risk review and integrates risk findings in ongoing business planning and strategy development.

# 2023 community support

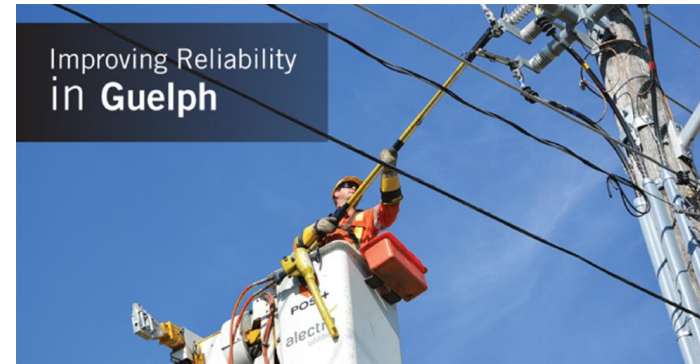
- AlectraCARES touched many front-line agencies and institutional partners in Guelph.
- Focused on food security issues, support for youth and families, and ED&I programs in disadvantaged communities.
- Total investment of \$130,000 in Guelph.
- Investment renewed for 2024.



#alectraCARES

# 2023 grid investments

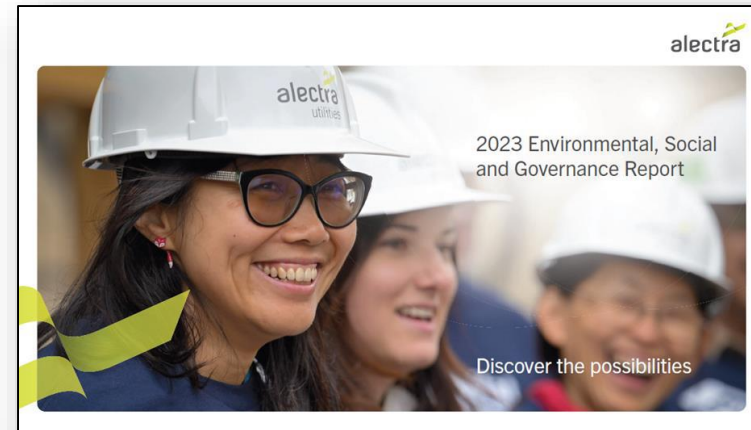
- Alectra invested \$4.2 million to construct and renew infrastructure in the City of Guelph.
- Focused on asset renewal and customer-driven work impacting 3,000 customers in Southwest Guelph – replacing underground cables and renewing overhead poles.

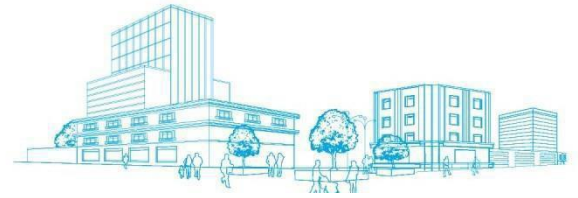




# 2024 outlook

- Evolving business environment is creating both opportunities and challenges.
- Opportunities are materializing from decarbonization and the Energy Transition (e.g. electrification of transportation and various manufacturing processes).
- Advocacy has increased in importance.
- Alectra's Strategy is resilient and continues to guide us forward towards becoming a customer-centric, integrated energy services company.





Thank you