



L O N D O N
H Y D R O I N C

Annual General Meeting

*For the Financial Year Ending
December 31, 2020*

June 23, 2021





“

...The pandemic and economic lockdown in 2020 was the biggest disruption! Yet we successfully managed these challenges and maintained service levels with satisfactory strategic progress and financial outcomes.

As an essential service provider in the time of COVID-19, we knew that we had to pivot flawlessly. Our employees rose to the challenge to keep the lights on and continued on our strategic journey of innovation without interruption...

”

Board of Directors

- Gabe Valente, BA, BComm, CPA, CA
Chair
- Connie Graham, BSc, ICDD
Vice-Chair
- Andy Hrymak, BEng, PhD
- Marilyn Sinclair, BA
- Jack Smit, CPA, CGA
- Guy Holburn, MA, PhD
- Michael van Holst, HBSc, BEd

Senior Management

- Vinay Sharma, PhD, PEng, FCAE, CDir
CEO
- William Milroy, BAsSc, PEng
VP Engineering & Operations
- David Arnold, BSc, MAcc, CPA, CA
CFO, VP Finance & Corporate Secretary
- Syed Mir, BSc
CIO & VP Corporate Services
- Elizabeth Carswell, BA, MA, BEd
Sr. Director Human Resources



Many Thanks to Our Retiring Board Member

Marilyn Sinclair has been an exemplary Board member and has served on London Hydro's Board of Directors for more than 15 years (2005 to 2021). Through her position as Chair of the Corporate Governance Committee, her leadership in establishing exceptional governance of the Board will be missed.

We thank Marilyn for her many contributions to London Hydro's success.

A Successful Year For London Hydro Despite Business Disruptions

*Leaders in Award-Winning
Technology and Innovation*



Strong Financial Performance



Financial Highlights
(\$ in millions)

2020
Actual

2019
Actual

Distribution Revenue
Net Earnings

70.2
5.7

69.7
12.0

Average Return on Shareholder's Equity

3.1%
7.0%

Annual Investments

Capital Assets

43.8
43.0

Financial Position:

Total Assets

514.6
453.9

Shareholder's Equity

175.1
174.7

Distributions to the City of London:

Dividends Declared

5.0
5.0

S&P Credit Rating

A/Stable A/Stable

*Without mark-to-market unrealized adjustment, net earnings are \$10.3M and RoE is 6%.

London Hydro Fulfills All Shareholder Objectives

1. Strong Growth in Shareholder Value

- Competitive Rate of Return: 6% RoE, excluding mark-to-market adjustment
- Net assets growth of 7%, which is the base for rate making.
- Sustained Annual Dividend to the City of \$5M
- Since incorporation, \$212M cash flow provided to the Shareholder

2. Caring for our Customers

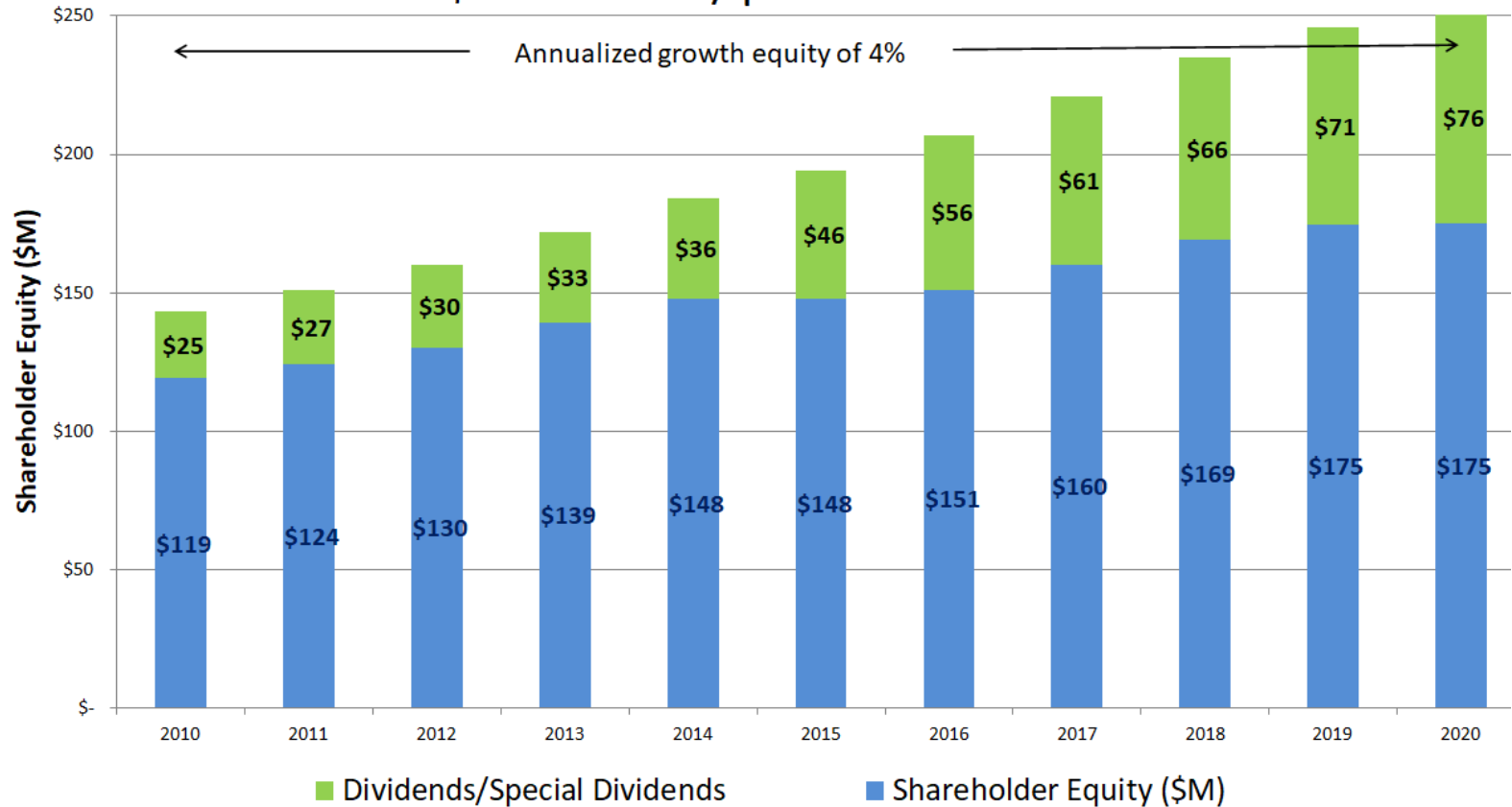
- Cost and rates are again in the lowest quartile among Ontario utilities
- Consistently high quality and reliability of service
- High customer satisfaction – 93% for residential and small business customers
- Continued prudent capital infrastructure investment

3. Industry-Leading Innovation

- CS Week's award for Innovation in Digital Customer Engagement
- IESO awards for Efficiency & Accuracy in Data Synchronization as well as for Accurate Billing

Growing Shareholder Value

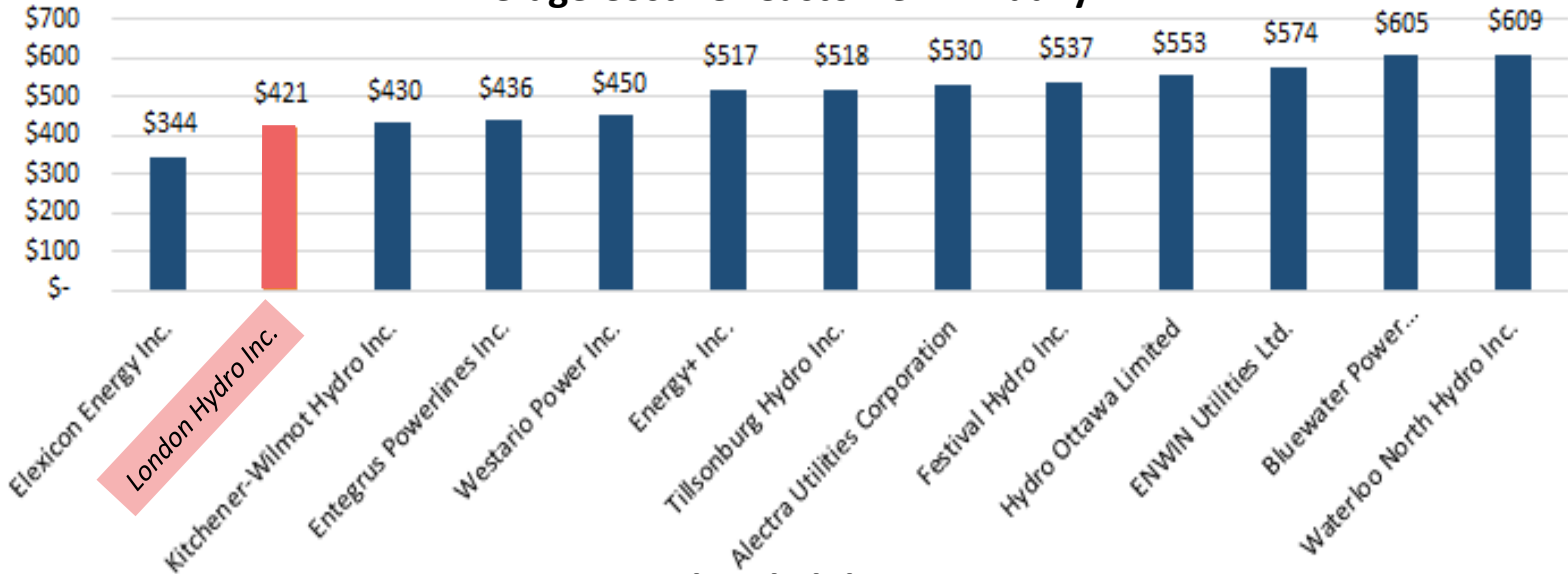
**47% (\$56M) growth in Shareholder Equity between 2010 and 2020
+ \$51M in Dividends/Special Dividends since 2010**



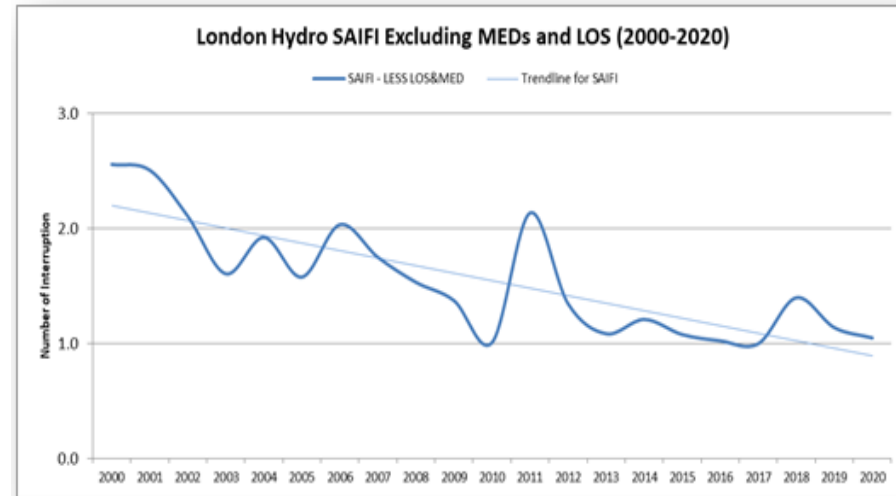
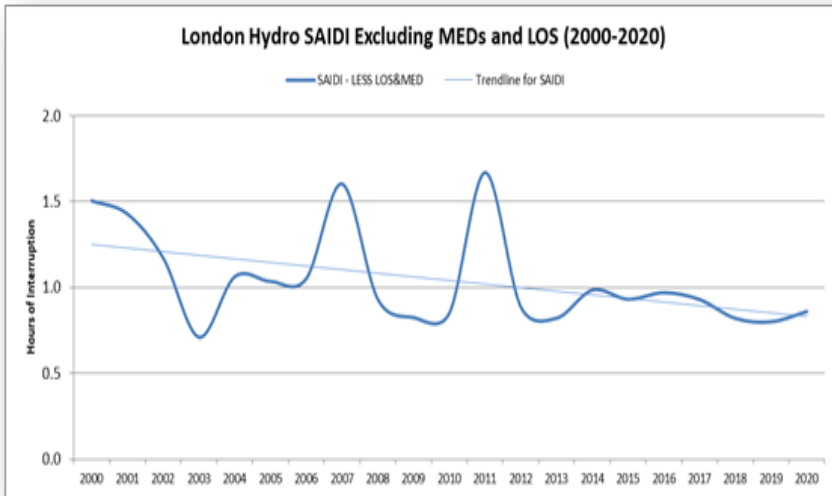
*Monetized \$70M Promissory Note in 2014

London Hydro is a Low Cost and High Reliability Utility

Average Cost Per Customer Annually



High Reliability

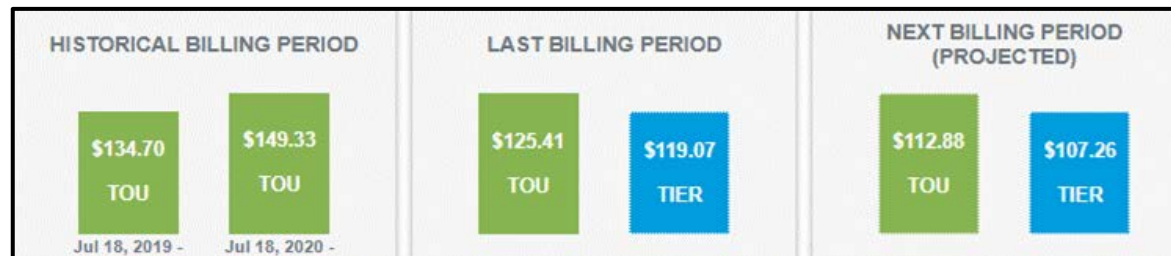


SAIDI – System Average Interruption Duration Index

SAIFI – System Average Interruption Frequency Index

Continued Customer Care Leadership

- Innovative personalized calculator for TOU/Tier pricing options using Green Button standards.



- Largest adoption (~11%) of pricing options by London Hydro customers among Ontario utilities – regulator & government reached out for copies of promo materials due to London Hydro’s success.
- Expanded online self-service options for customers:
 - 69,543 paperless subscribers
 - 81,917 registered users on AODA compliant web portal
 - 70% of 16,608 customers made electricity price option using online tools
- 94% customers like London Hydro’s **reliability of service**.
- 83% customers believe London Hydro is **customer focused**.
- 85% customers believe London Hydro is **socially responsible**.

Continued Environmental Leadership



- Paperless Billing (69,000 customers)
- ≈ 1,300 trees over 5 years



- 11 solar installations, 460 kW capacity
- 176,600 kg CO2e avoided over 10 years



- Reuse: 700 tonnes material saved over 10 years
- Recycle: 1340 tonnes in 2019
- Waste reduction: 50% over 5 years



- 10 Electric Vehicles
- 16 Hybrid Vehicles
- 11 EV Chargers Installed

London Hydro is a Strong, Reliable and Innovative “Hometown” Utility

1. Continue Strong Financial Performance

- A strong Balance Sheet; excellent debt-to-equity ratio; S&P credit rating of A/Stable

2. Strong Customer Focus

- Industry leading customer satisfaction rating of 93% for residential customers

3. Valuable Environmental and Community Leadership

- London Hydro provided \$400,000 in LEAP funding to the Salvation Army
- London Hydro and its employees donated \$5,619 to the London Food Bank, \$4,605 to the Salvation Army Christmas Hamper Program, \$5,000 to the Thames Valley Children’s Centre, and \$31,650 to E.C.C.O. charities
- London Hydro continues to manage the pandemic disruptions satisfactorily and our strong, sincere and committed employees – 300+ strong – have worked hard to serve Londoners and keep the lights on