

**CHESAPEAKE
UTILITIES
CORPORATION**

Investor Presentation

December 2023

Today's Presenters



Beth Cooper

Executive Vice President, Chief Financial Officer, Treasurer,
and Assistant Corporate Secretary



Noah Russell

Assistant Vice President & Assistant Treasurer

Forward Looking Statements and Other Statements

Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995. One can typically identify forward-looking statements by the use of forward-looking words, such as “project,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “continue,” “potential,” “forecast” or other similar words, or future or conditional verbs such as “may,” “will,” “should,” “would” or “could.” These include statements regarding our financing plans, the expected timing of the closing of the proposed acquisition and the size, use of proceeds and potential completion of the offering, among others. These statements are based on our current intentions, plans, expectations, assumptions and beliefs. Forward-looking statements speak only as of the date they are made or as of the date indicated. These statements are subject to many risks and uncertainties, including, but not limited to: the occurrence of any event, change or other circumstance that could give rise to the right of either or both parties to terminate the acquisition agreement; the risk that the acquisition may not close in the anticipated timeframe or at all due to one or more of the remaining closing conditions to the transaction not being satisfied or waived; the risk that there may be unexpected costs, charges or expenses resulting from the proposed acquisition; risks related to the ability of the Company to successfully integrate the business and achieve the expected operating efficiencies within the expected timeframes or at all and the possibility that such integration may be more difficult, time consuming or costly than expected; risks that the proposed transaction disrupts the Company’s current plans and operations; risks related to disruption of each company’s management’s time and attention from ongoing business operations due to the proposed transaction; continued availability of capital and financing; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of the Company’s common stock; the risk that the proposed transaction and its announcement could have an adverse effect on the ability of the Company and FCG to continue to hire, train and retain appropriately qualified personnel, to retain customers and to maintain relationships with each of their respective business partners, suppliers and customers; risks related to unpredictable and severe or catastrophic events or their impact on each company’s business, financial condition and results of operations; and other business effects, including the effects of industry, market, economic, political or regulatory conditions. Additional risk factors that may cause actual results or events to differ materially from those expressed in the forward-looking statements are described under “Safe Harbor for Forward-Looking Statements” and Item 1A, “Risk Factors” in our Annual Report on Form 10-K and the preliminary prospectus supplement for the offering and in other reports that we have or may file with the Securities and Exchange Commission.

In light of these risks, uncertainties, and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. You are cautioned not to place undue reliance on any forward-looking statements.

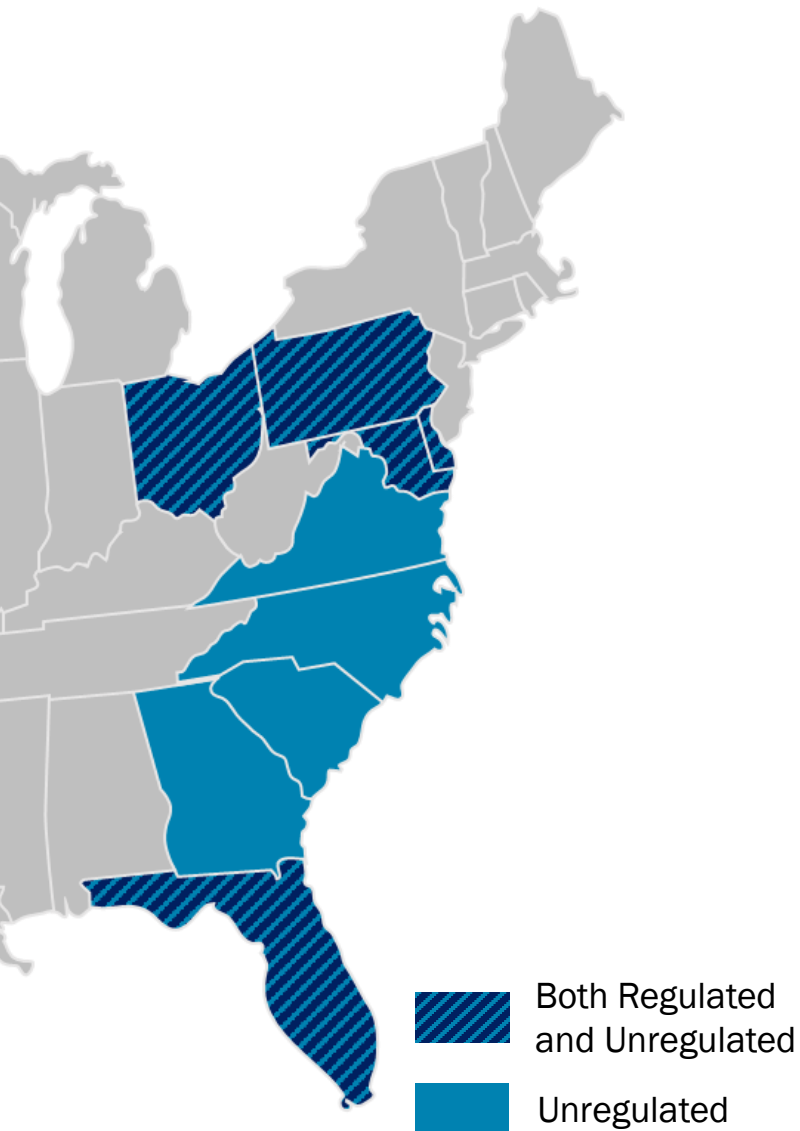
Non-GAAP Financial Information

This presentation includes non-GAAP financial measures including Adjusted Gross Margin, Adjusted Net Income and Adjusted Earnings Per Share (“EPS*”). A “non-GAAP financial measure” is generally defined as a numerical measure of a company’s historical or future performance that includes or excludes amounts, or that is subject to adjustments, so as to be different from the most directly comparable measure calculated or presented in accordance with GAAP. Our management believes certain non-GAAP financial measures, when considered together with GAAP financial measures, provide information that is useful to investors in understanding period-over-period operating results separate and apart from items that may, or could, have a disproportionately positive or negative impact on results in any particular period.

The Company calculates Adjusted Gross Margin by deducting the purchased cost of natural gas, propane and electricity and the cost of labor spent on direct revenue-producing activities from operating revenues. The costs included in Adjusted Gross Margin exclude depreciation and amortization and certain costs presented in operations and maintenance expenses in accordance with regulatory requirements. The Company calculates Adjusted Net Income and Adjusted EPS by deducting costs and expenses associated with significant acquisitions that may affect the comparison of period-over-period results. These non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. The Company believes that these non-GAAP measures are useful and meaningful to investors as a basis for making investment decisions and provide investors with information that demonstrates the profitability achieved by the Company under allowed rates for regulated energy operations and under the Company’s competitive pricing structures for unregulated energy operations. The Company’s management uses these non-GAAP financial measures in assessing a business unit and Company performance. Other companies may calculate these non-GAAP financial measures in a different manner.

Unless otherwise noted, EPS and Adjusted EPS information is presented on a diluted basis.

Diversified Portfolio of Energy Delivery Solutions



High growth, high performing energy delivery business focused on regulated utility and pipeline operations in premium service territories and constructive regulatory jurisdictions

Business Line	States Served
Regulated Energy Segment	
Natural Gas Transmission	DE, FL, MD, PA, OH
Natural Gas Distribution	DE, MD, FL
Electric Distribution	FL
Unregulated Energy Segment	
Propane Distribution	PA, DE, MD, VA, NC, SC, FL
Natural Gas Pipeline System	OH
CNG Services	Multiple – Including CNG Fueling Station in GA
CHP Generation	FL
RNG Opportunities	Multiple – Including projects and acquisitions in OH, MD, FL

Focus on Regulated Gas Distribution & Transmission

Chesapeake Utilities Investments Post-Florida City Gas (FCG) Acquisition*



■ Unregulated ■ Regulated

Regulated Business Summary:

Natural Gas Distribution Customers:
~315,000

Electric Distribution Customers:
~33,000

Miles of Gas Distribution Infrastructure:
~8,900 miles

Miles of Gas Transmission Infrastructure:
~750 miles

Contracted Gas Transmission Capacity:
~1,200,000 Dts/d

Committed to Superior Performance

Our Foundation for Growth is Strong

We continually increase shareholder value through our:



TRACK RECORD

Over and over, we have proven we get it done; we have a long history of top-tier earnings growth

- Consistently beating expectations, recording 16 years of consecutive earnings per share growth and 19 consecutive years of increasing the dividend*



ENERGIZED TEAM

We have the expertise to balance project development and execution

- Our team prioritizes our people, our customers, our assets and our communities while striving to deliver growth and value for our stakeholders



FINANCIAL DISCIPLINE

Consistent, disciplined approach to business planning, cost management and financing

- While maintaining a strong balance sheet, we have been able to make significant capital investments, achieve a 9.7% average annual EPS growth rate over the last 10 years, and provide an 8.6% average dividend growth rate for our shareholders over the last 10 years



PLATFORMS FOR GROWTH

We identify and execute steady, return-oriented capital investments across each of our five platforms for growth

- Cap ex guidance of \$1.5 billion to \$1.8 billion through 2028, driven by our legacy businesses and growth opportunities identified with the Florida City Gas acquisition

Acquisition of Florida City Gas

Compelling Strategic Rationale

EXPANDS PLATFORM IN FLORIDA

*High growth utility
jurisdiction; gas
system expansion
opportunities*

- More than doubles CPK's presence in Florida - a high growth service area
 - Florida is premier state for utility operations with a fast-growing population and economy, as well as a constructive and supportive regulatory environment
 - Natural gas continues to be a preferred energy source with growing market demand
 - Historically, Florida Public Utilities (FPU) has achieved a 4%+ annual residential customer growth rate over the last 4 years
- Enhanced platform for growth: combination of natural gas systems and incremental capital investment opportunities across five growth platforms expected to drive growth and benefit all stakeholders

ENHANCES SCALE AND EFFICIENCY

*CPK has extensive
operational and
regulatory expertise*

- Scale benefits from expected increases in regulated utility customers and net plant by 50% and 30%, respectively
- Efficiencies expected due to complementary operations
- CPK has core expertise across all facets of natural gas operations and strong relationships with regulators, legislators, communities and customers

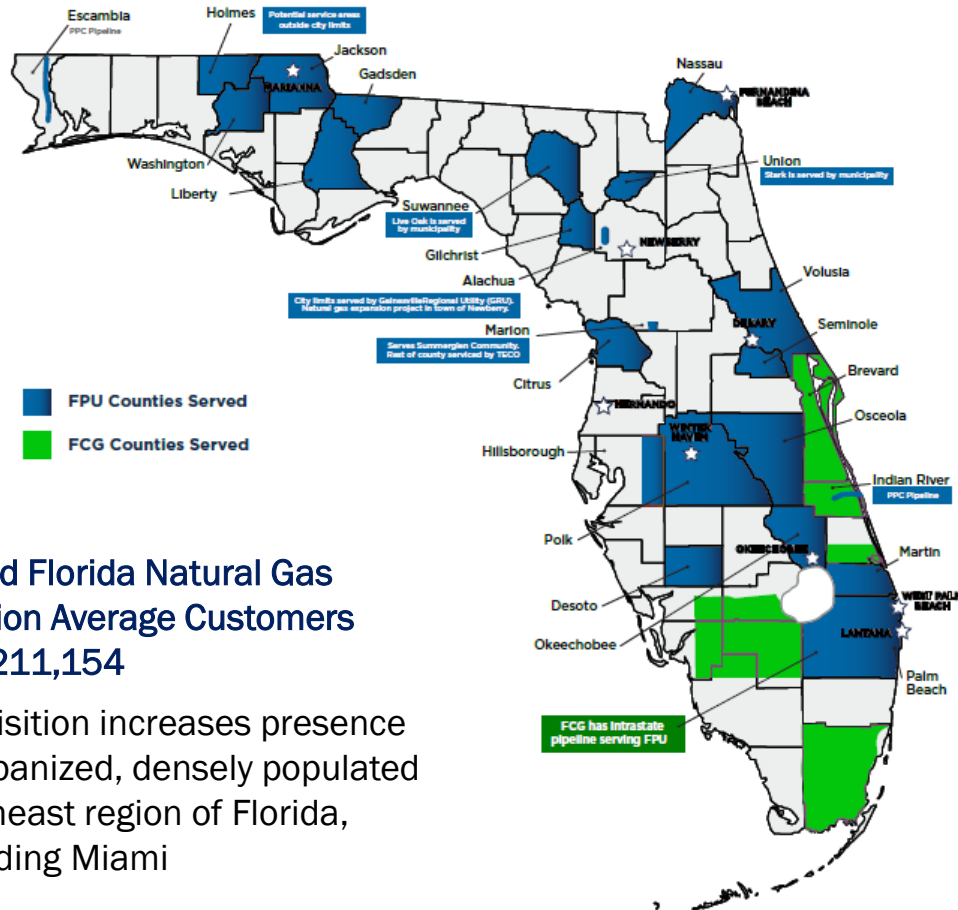
FINANCIAL BENEFITS

*Builds on CPK's
track record of
successful M&A*

- Provides approximately \$500 million of capex opportunities associated with FCG over the next five years
- Supports long-term earnings and dividend growth
- Balanced financing plan to ensure continued balance sheet strength

Florida City Gas: Attractive Rate Base in High Growth Market

Acquisition of FCG is Complementary to CPK's Natural Gas Portfolio and Creates Attractive Combined Business in FL



Combined Florida Natural Gas Distribution Average Customers (2022): 211,154

- Acquisition increases presence in urbanized, densely populated southeast region of Florida, including Miami

Additional Growth Opportunities in Florida Beyond Existing CPK Footprint

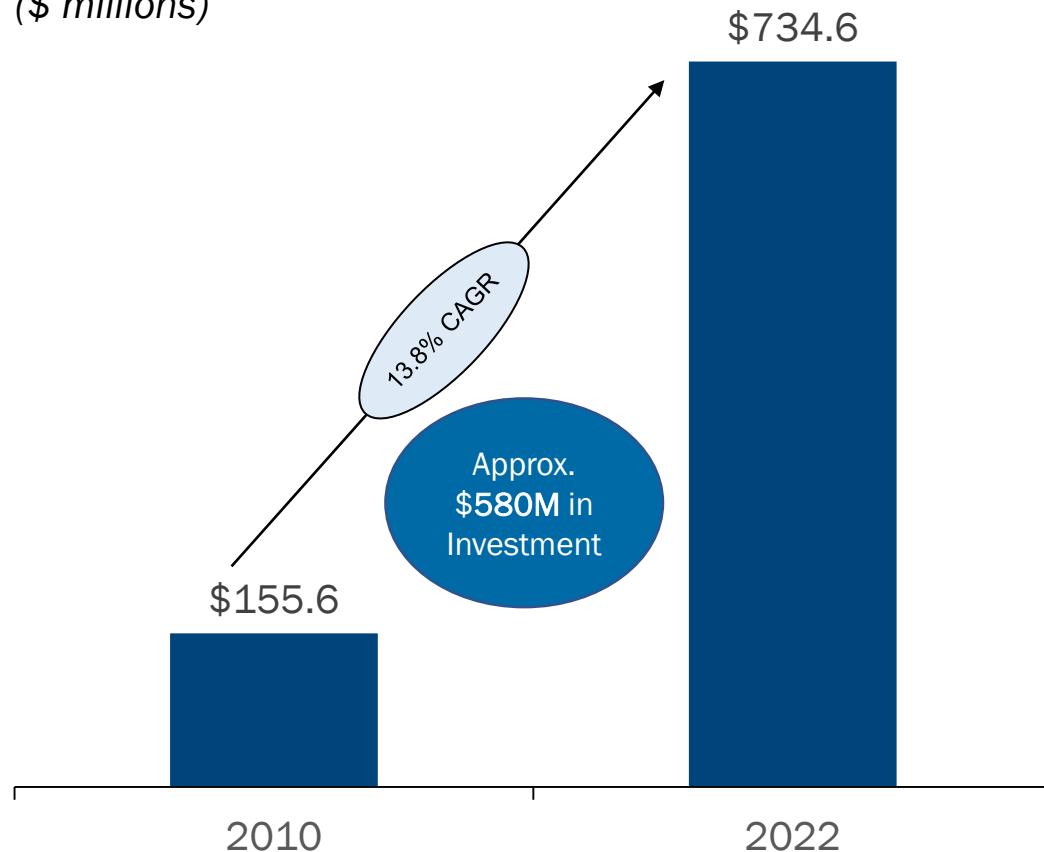
- Provides opportunities into unserved and underserved communities throughout a widened service territory.
- Builds on success of CPK-FPU merger (2009), which paved the way for natural gas distribution expansion and related new business operations in Florida
- Florida consolidated operations following the acquisition are expected to contribute approximately 60% of CPK's:
 - ✓ Operating income;
 - ✓ Utility net plant; and
 - ✓ Future capital investment plan (five years)
- Both FPU and FCG recently completed rate cases, with 2024 as first full year permanent rates will be in effect
 - Combined rate increase of \$40.5 million, with FPU rate increase representing \$17.2 million

CPK's Proven Track Record of Growth in Florida

From a \$125 million investment in 2009, the CPK-FPU merger paved the way for not only natural gas distribution expansion, but also for related new business operations in Florida

Florida Investment – 2022 compared to 2010

(\$ millions)

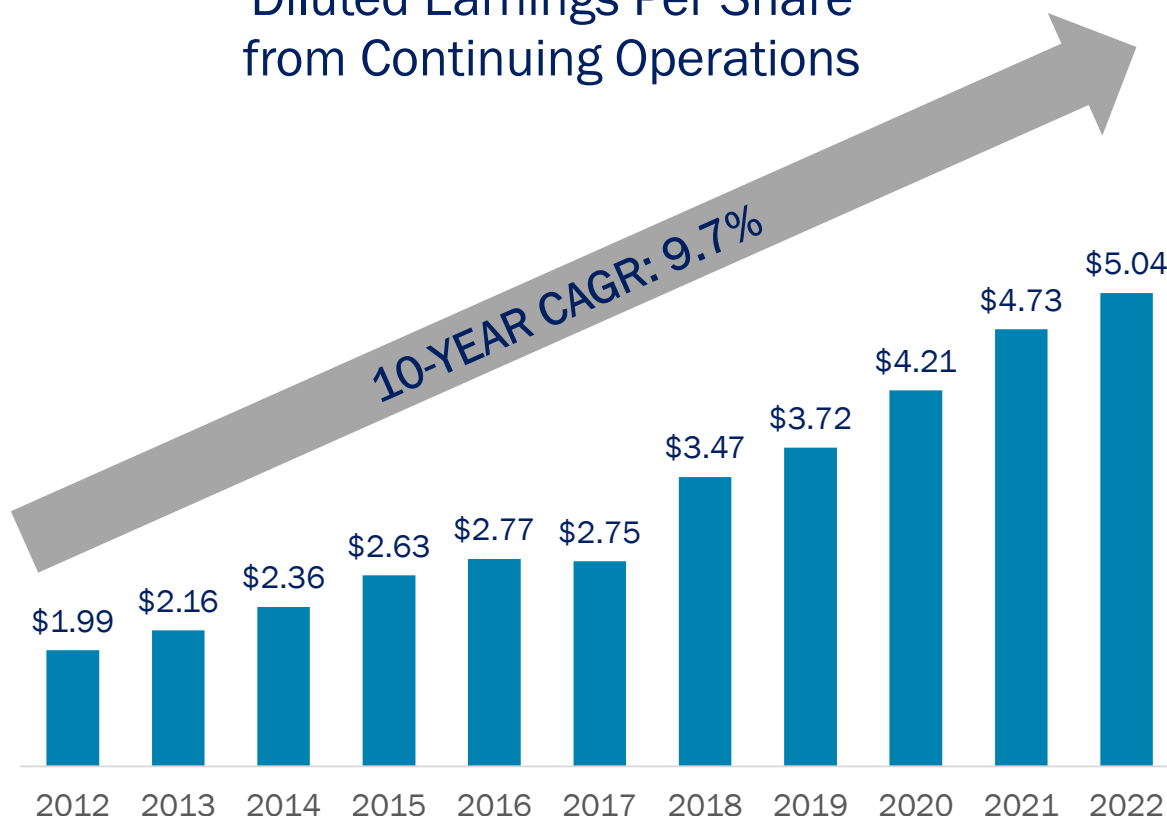


Investment Type	Commentary	Change in Investment (2010-2022)
Gas Distribution	Expansion into new areas such as Nassau County as well as reliability and infrastructure investments	+ \$279 million
Gas Transmission	Peninsula Pipeline Company links interstate pipelines to local distribution systems, industrial customers and power generation facilities	+ \$114 million
Electric Distribution	Electric distribution operations in the northeast and northwest of Florida	+ \$109 million
Virtual Pipeline Solutions	Capturing opportunities for mobile fuel and virtual pipeline solutions throughout North America	+ \$44 million
CHP	CPK's flagship CHP, Eight Flags, was built to address a customer's need, and today benefits multiple parts of our business	+ \$30 million
Propane	Smaller acquisitions; expanding to new areas through community gas systems; Autogas expansion	+ \$3 million
Sustainable Investments	Waste-to-energy production facilities and associated infrastructure	Construction underway*

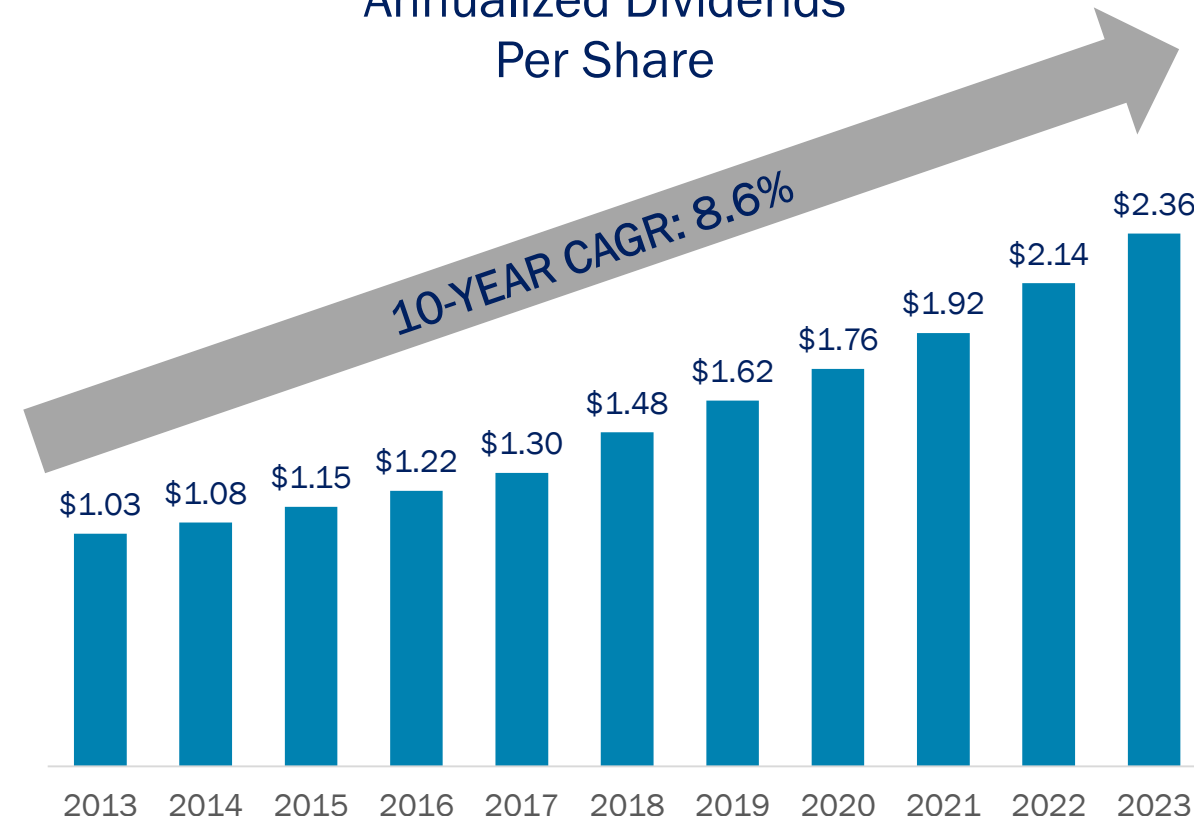
Track Record of Strong Financial Performance

Long History of Industry Leading Earnings and Dividend Growth

Diluted Earnings Per Share
from Continuing Operations



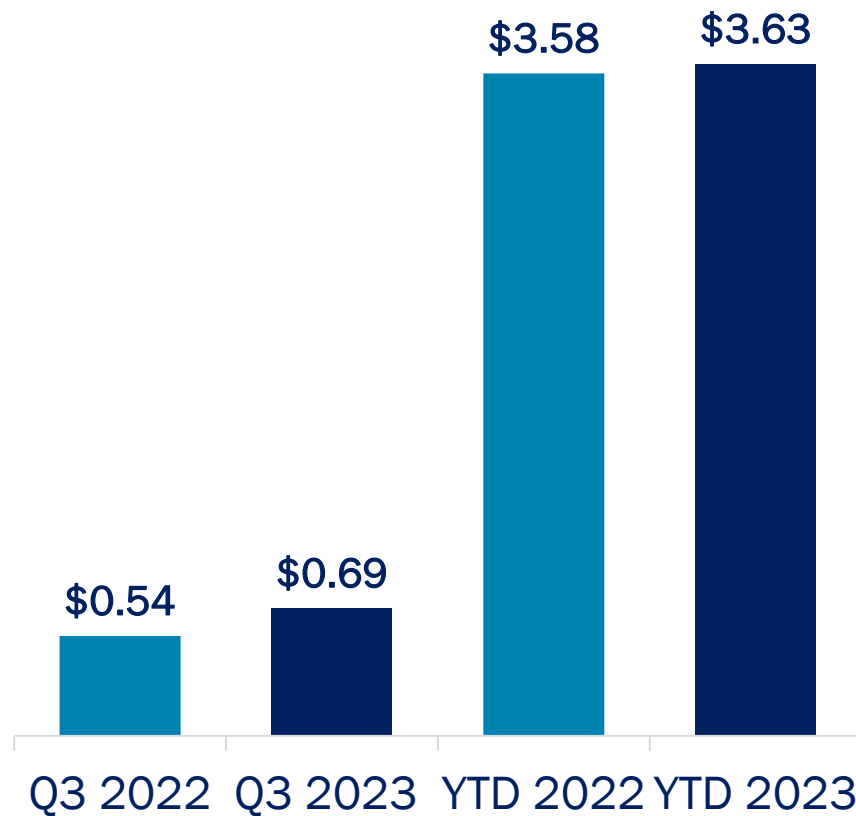
Annualized Dividends
Per Share



18 Consecutive Years with Return on Equity Above 11%*

Year-to-Date 2023 Financial Performance and Drivers

Adjusted Diluted Earnings Per Share



Key Year-to-Date Earnings Adjusted Gross Margin Drivers

\$13.2M

Regulated Infrastructure Programs and Recovery Mechanisms

\$7.7M

Pipeline Expansions and Natural Gas Organic Growth

\$6.4M

Higher Propane Margins per gallon and fees

\$1.3M

Margins Related To Demand For Virtual Pipeline Services

\$0.7M

Adjusted Gross Margin From Off-System Natural Gas Capacity Sales

-\$9.8M

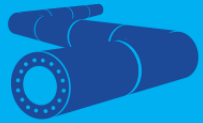
Lower Customer Consumption Related to Warmer Weather

Key Drivers of Growth



Organic Growth:

- Natural gas continues to be the preferred energy source for our customers
- FCG continued organic utility growth, with contracted residential projects representing more than 12,000 homes, plus approved cost recovery mechanisms
- FPU GUARD and FCG SAFE infrastructure replacement programs



Gas Transmission:

- Pipeline expansions continue to advance at the Wildlight Community in Yulee, Florida and other locations throughout our service territories
- Received Florida PSC approval for additional 8,000 Dt/d of firm service in the Newberry, Florida area
- Announced plans to build fully contracted LNG gas storage facility in Bishopville, MD, with up to 0.5 million gallons of capacity
- New projects being evaluated and pursued in Delmarva, Florida and Ohio



Propane Distribution:

- Ongoing advancement of our community gas system strategy
- Integrating Sharp's programs and practices within recent acquisitions
- Potential opportunities for community gas systems in currently unserved communities where natural gas is not available in Florida (permanent or temporary solution)



Marlin Gas Services:

- Continued demand for CNG services on a year-to-date basis
- Opportunities to provide interim services during expansion construction or during maintenance in Florida

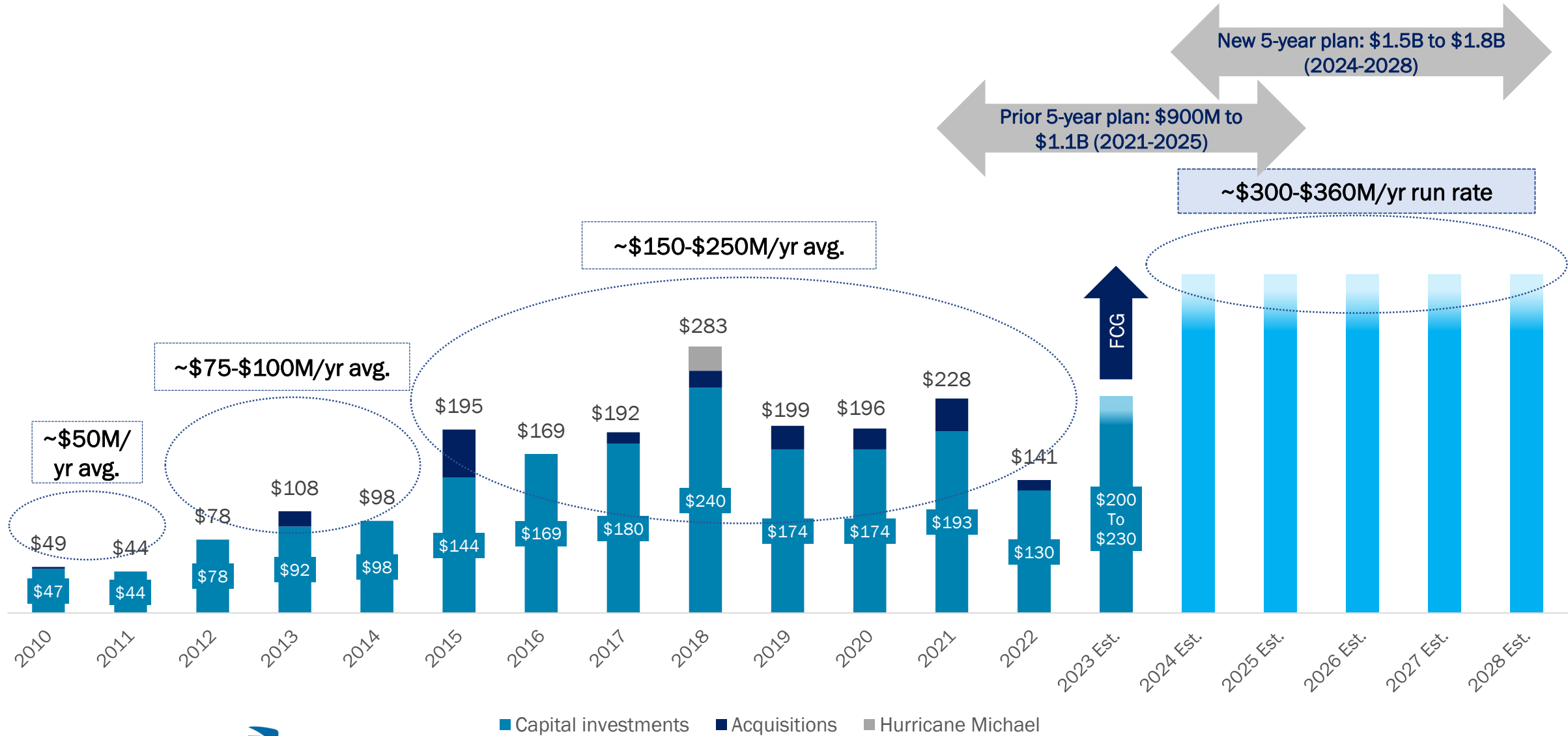


Sustainable Investments:

- Construction underway on first RNG facility at Full Circle Dairy
- Project partner in the Mid-Atlantic Clean Hydrogen Hub (MACH2™) team representing the Delaware, Philadelphia and Southern New Jersey region

CPK's Strong Track Record of Growing Investment

Long Track Record of Successfully Growing Capital Investment Plan



Balance Sheet Strength Has Always Been a Priority

CPK Capital Structure as of September 30, 2023

(\$ thousands)

	9/30/2023
Stockholders' equity	\$ 866,677
Long-term debt, net of current maturities	643,801
Total permanent capitalization	\$ 1,510,478
Current portion of long-term debt	20,000
Short-term debt	118,570
Total Capitalization and short-term financing	\$ 1,649,048
Equity to Permanent Capital	57.4%
Equity to Total Capitalization	52.6%

Financing for the FCG Acquisition*

- Financing plan consistent with investment grade ratings profile
- Concurrent with signing of the purchase agreement CPK obtained committed financing from Barclays to the fund the purchase price
- The Bridge facility was syndicated with all invited lenders participating
- On 10/31/2023, CPK priced a \$550 million debt private placement with a weighted coupon rate of 6.54%
- In November 2023, completed equity offering, with proceeds, after deducting underwriting discounts and commissions and before estimated offering expenses, of approximately \$367.2 million

CPK's Investment Proposition

High-growth energy delivery business focused on regulated utility and pipeline operations in premium jurisdictions

FCG transaction is a strong strategic fit; consistent with CPK's historical M&A approach and demonstrated track record

FCG acquisition more than doubles CPK's operations in Florida, a premier utility jurisdiction; supports and extends CPK's long track record of top quartile EPS and dividend growth

Disciplined capital investment and cost management, with peer-leading Return on Equity

CPK's new 5-year \$1.5 billion - \$1.8 billion capex investment plan is ~65% larger than the previous 5-year plan

**CHESAPEAKE
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CORPORATION**

Appendix

GAAP to Non-GAAP Reconciliation – Consolidated Results

(in thousands)

Operating Revenues

Cost of Sales:

Natural gas, propane and electric costs

Depreciation & amortization

Operations & maintenance expense¹

Gross Margin (GAAP)

Operations & maintenance expense¹

Depreciation & amortization

Adjusted Gross Margin (non-GAAP)

Third Quarter		Change		Year-to-Date		Change	
2023	2022	\$	%	2023	2022	\$	%
\$ 131,547	\$ 131,053	\$ 494	0.4%	\$ 485,269	\$ 493,403	\$ (8,134)	-1.6%
(37,094)	(44,205)	7,111	-16.1%	(161,478)	(188,502)	27,024	-14.3%
(17,610)	(17,339)	(271)	1.6%	(52,096)	(51,532)	(564)	1.1%
(12,733)	(16,513)	3,780	-22.9%	(47,251)	(47,700)	449	-0.9%
<u>64,110</u>	<u>52,996</u>	<u>11,114</u>	<u>21.0%</u>	<u>224,444</u>	<u>205,669</u>	<u>18,775</u>	<u>9.1%</u>
12,733	16,513	(3,780)	-22.9%	47,251	47,700	(449)	-0.9%
<u>17,610</u>	<u>17,339</u>	<u>271</u>	<u>1.6%</u>	<u>52,096</u>	<u>51,532</u>	<u>564</u>	<u>1.1%</u>
\$ 94,453	\$ 86,848	\$ 7,605	8.8%	\$ 323,791	\$ 304,901	\$ 18,890	6.2%

¹ Operations & maintenance expenses within the Consolidated Statements of Income are presented in accordance with regulatory requirements and to provide comparability within the industry. Operations & maintenance expenses which are deemed to be directly attributable to revenue producing activities have been separately presented above in order to calculate Gross Margin as defined under US GAAP. See Chesapeake Utilities' Annual Report on Form 10-K for the year ended December 31, 2022 for additional details.

GAAP to Non-GAAP Reconciliation – Regulated Energy Segment

(in thousands)

Operating Revenues

Cost of Sales:

Natural gas, propane and electric costs

Depreciation & amortization

Operations & maintenance expense¹

Gross Margin (GAAP)

Operations & maintenance expense¹

Depreciation & amortization

Adjusted Gross Margin (non-GAAP)

Third Quarter		Change		Year-to-Date		Change	
2023	2022	\$	%	2023	2022	\$	%
\$ 102,411	\$ 90,980	\$ 11,431	12.6%	\$ 345,822	\$ 311,064	\$ 34,758	11.2%
(26,518)	(21,248)	(5,270)	24.8%	(105,692)	(88,264)	(17,428)	19.7%
(13,192)	(13,271)	79	-0.6%	(39,179)	(39,496)	317	-0.8%
(4,819)	(9,211)	4,392	-47.7%	(23,346)	(25,694)	2,348	-9.1%
<u>57,882</u>	<u>47,250</u>	<u>10,632</u>	<u>22.5%</u>	<u>177,605</u>	<u>157,610</u>	<u>19,995</u>	<u>12.7%</u>
4,819	9,211	(4,392)	-47.7%	23,346	25,694	(2,348)	-9.1%
<u>13,192</u>	<u>13,271</u>	<u>(79)</u>	<u>-0.6%</u>	<u>39,179</u>	<u>39,496</u>	<u>(317)</u>	<u>-0.8%</u>
\$ 75,893	\$ 69,732	\$ 6,161	8.8%	\$ 240,130	\$ 222,800	\$ 17,330	7.8%

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GAAP to Non-GAAP Reconciliation – Unregulated Energy Segment

(in thousands)

Operating Revenues

Cost of Sales:

Natural gas, propane and electric costs

Depreciation & amortization

Operations & maintenance expense¹

Gross Margin (GAAP)

Operations & maintenance expense¹

Depreciation & amortization

Adjusted Gross Margin (non-GAAP)

Third Quarter		Change		Year-to-Date		Change	
2023	2022	\$	%	2023	2022	\$	%
\$ 34,970	\$ 47,914	\$(12,944)	-27.0%	\$ 158,886	\$ 202,669	\$(43,783)	-21.6%
(16,381)	(30,768)	14,387	-46.8%	(75,068)	(120,476)	45,408	-37.7%
(4,420)	(4,071)	(349)	8.6%	(12,923)	(12,025)	(898)	7.5%
(7,532)	(7,673)	141	-1.8%	(23,528)	(21,428)	(2,100)	9.8%
<u>6,637</u>	<u>5,402</u>	<u>1,235</u>	<u>22.9%</u>	<u>47,367</u>	<u>48,740</u>	<u>(1,373)</u>	<u>-2.8%</u>
7,532	7,673	(141)	-1.8%	23,528	21,428	2,100	9.8%
<u>4,420</u>	<u>4,071</u>	<u>349</u>	<u>8.6%</u>	<u>12,923</u>	<u>12,025</u>	<u>898</u>	<u>7.5%</u>
\$ 18,589	\$ 17,146	\$ 1,443	8.4%	\$ 83,818	\$ 82,193	\$ 1,625	2.0%

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GAAP to Non-GAAP Reconciliation – Adjusted Net Income and EPS

(in thousands, except shares and per share data)

Net Income (GAAP)

Transaction-related expenses, net¹

Adjusted Net Income (Non-GAAP)

Weighted average common shares outstanding - diluted

Earnings Per Share - Diluted (GAAP)

Transaction-related expenses, net¹

Adjusted Earnings Per Share - Diluted (Non-GAAP)

Third Quarter		Year-to-Date	
2023	2022	2023	2022
\$ 9,407	\$ 9,662	\$ 61,884	\$ 63,646
<u>2,804</u>	<u>-</u>	<u>2,898</u>	<u>-</u>
\$ <u>12,211</u>	\$ <u>9,662</u>	\$ <u>64,782</u>	\$ <u>63,646</u>
<u>17,857,784</u>	<u>17,819,373</u>	<u>17,847,288</u>	<u>17,797,001</u>
\$ 0.53	\$ 0.54	\$ 3.47	\$ 3.58
<u>0.16</u>	<u>-</u>	<u>0.16</u>	<u>-</u>
\$ <u>0.69</u>	\$ <u>0.54</u>	\$ <u>3.63</u>	\$ <u>3.58</u>