



# Third Quarter 2022

## Earnings Conference Call

November 3, 2022

# Today's Presenters



**Jeff Householder**  
President, Chief Executive Officer



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



**Jim Moriarty**  
Executive Vice President,  
General Counsel, Corporate Secretary  
and Chief Policy and Risk Officer



**Alex Whitelam**  
Head of Investor Relations



# Forward Looking Statements and Other Statements

## Safe Harbor Statement

Some of the Statements in this document concerning future Company performance will be forward-looking within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements. You should refer to the additional information contained in Chesapeake Utilities' Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC and other subsequent SEC filings concerning factors that could cause those results to be different than contemplated in today's discussion.

## Non-GAAP Financial Information

This presentation includes non-GAAP financial measures including Adjusted Gross Margin. 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. A reconciliation of GAAP to non-GAAP financial measures is included in the appendix of this presentation.

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. Adjusted Gross Margin should not be considered an alternative to Gross Margin under US GAAP which is defined as the excess of sales over cost of goods sold. The Company believes that Adjusted Gross Margin, although a non-GAAP measure, is useful and meaningful to investors as a basis for making investment decisions. It provides investors with information that demonstrates the profitability achieved by the Company under the Company's allowed rates for regulated energy operations and under the Company's competitive pricing structures for unregulated energy operations. The Company's management uses Adjusted Gross Margin as one of the financial measures in assessing a business unit's performance. Other companies may calculate Adjusted Gross Margin in a different manner.

# Financial Highlights



- Increased Diluted EPS by **\$0.13** or **3.8%** year-to-date over the same period in 2021
- Third quarter diluted EPS of \$0.54, impacted by **absence of one-time, non-recurring items** in Q3 2021 and increased interest expense due to **higher interest rates** in 2022.
- Generated **\$6.9 million** in adjusted gross margin growth for the third quarter, driven largely by propane acquisitions, natural gas transmission expansions and organic growth
- Recorded one month of **interim rates** associated with Florida natural gas base rate case proceedings
- Reaffirmed long-term **EPS guidance** and both long-term and 2022 **capital expenditure expectations**
- Continued **above national average customer growth** across natural gas distribution service territories
- Secured **\$80 million** in long-term debt to further strengthen balance sheet and provide capacity for **future growth investments**.



# Planet Found Energy Development

## Acquisition Details








- Located in Somerset County, Maryland
- Foundational acquisition for poultry-based waste-to-energy platform
- Farm scale Anaerobic Digestion and Nutrient Recovery (ADNR) facility producing biogas for electric generation and can be upgraded for renewable natural gas production
- ADNR process and ammonia recovery technology patents included in transaction
- Output of process includes high quality organic soil conditioners

# Planet Found Energy Development Acquisition Strategy

- Secures in-house knowledge, expertise and technology to scale poultry-based waste-to-energy projects
- Allows Chesapeake Utilities to be less dependent on project developers
- Provides an outlet to trial and produce real data for analysis of biogas production and greenhouse gas reduction
- Enhances relationship with critical stakeholders in agricultural community across the Delmarva peninsula
- Ability to provide environmental benefits to agricultural community



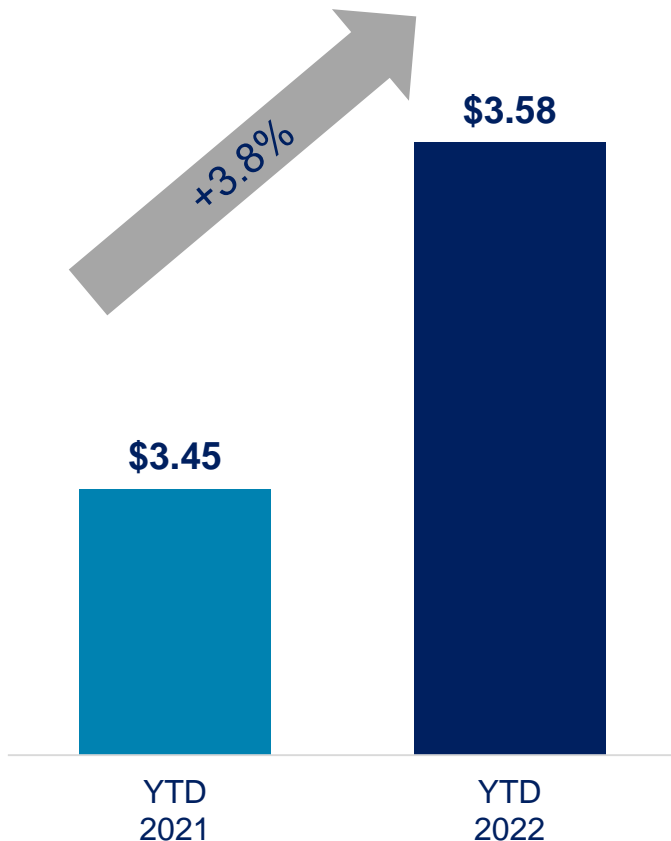
# Growth Platform Focus

 <b>Organic Growth:</b>	<ul style="list-style-type: none"><li>• 5.8% residential customer growth on Delmarva</li><li>• 4.4% residential customer growth in Florida</li><li>• Continued propane CGS conversions to natural gas</li></ul>
 <b>Gas Transmission:</b>	<ul style="list-style-type: none"><li>• Continuing with Beachside, Winter Haven and Southern expansion projects</li><li>• Margin from Escambia Meter Station acquisition</li><li>• St. Cloud / Twin Lakes Project petition filed</li></ul>
 <b>Propane Distribution:</b>	<ul style="list-style-type: none"><li>• Expanded AutoGas into Carolinas, with a fueling station located in Dunn, North Carolina</li><li>• Secured 90,000 gallons of renewable propane to lower emissions in our own fleet</li></ul>
 <b>Marlin Gas Services:</b>	<ul style="list-style-type: none"><li>• \$0.9M and \$1.5M of increased demand for CNG services in the third quarter and year-to-date, respectively</li></ul>
 <b>Sustainable Investments:</b>	<ul style="list-style-type: none"><li>• Completed RNG acquisition of Planet Found</li><li>• Completed turbine replacement in Eight Flags CHP, which allows for higher concentrated hydrogen blends</li><li>• Pursuing several RNG investments along the East Coast</li></ul>

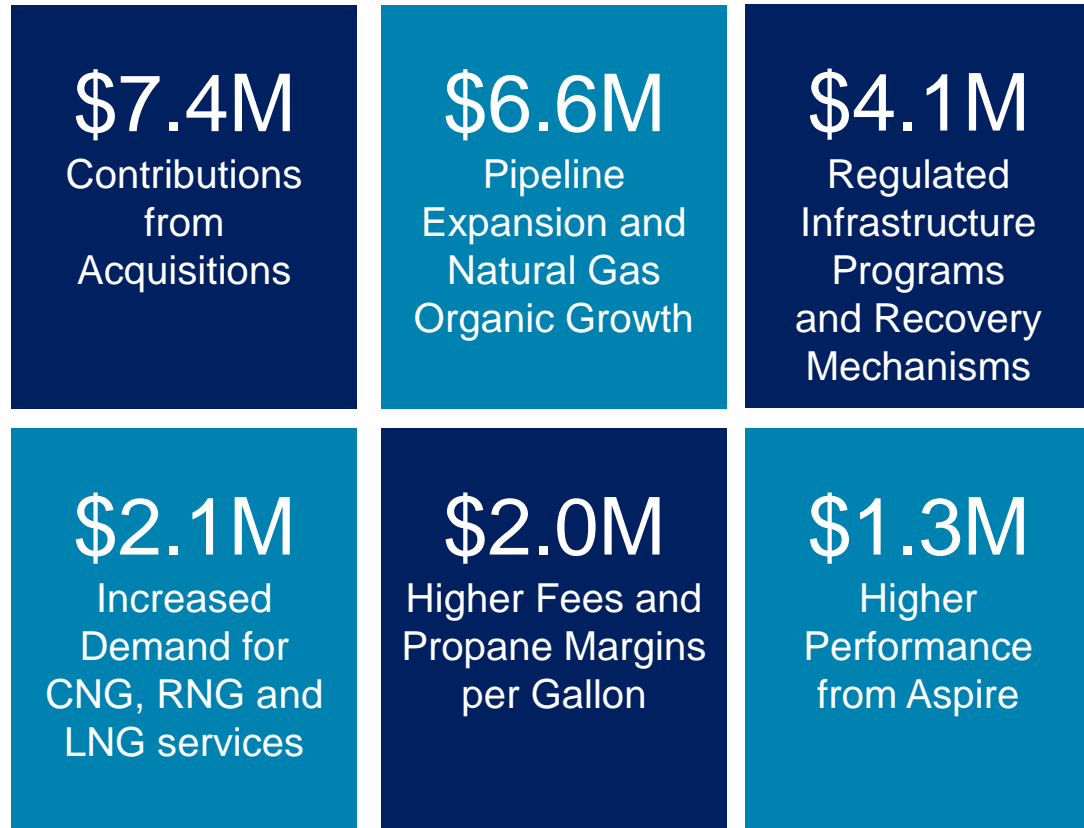
# Year-to-Date 2022 Financial Performance

## Solid Growth Despite Inflationary Pressures

### Diluted Earnings Per Share



### Key Drivers of Year-to-Date Earnings Performance





# Third Quarter and Year-to-Date 2022

## Financial Summary

### Consolidated

(in thousands except per share data)

### Total Adjusted Gross

### Margin<sup>1</sup>

### Operating Income

### Other Income, Net

### Interest Charges

### Pre-tax Income

### Income Taxes

### Net Income

### Diluted EPS

	Third Quarter		Change		Year to Date		Change	
	2022	2021	\$	%	2022	2021	\$	%
<b>Total Adjusted Gross Margin<sup>1</sup></b>	<b>\$ 86,848</b>	<b>\$ 79,969</b>	<b>\$ 6,879</b>	<b>8.6%</b>	<b>\$ 304,901</b>	<b>\$ 281,239</b>	<b>\$ 23,662</b>	<b>8.4%</b>
<b>Operating Income</b>	<b>\$ 18,648</b>	<b>\$ 20,113</b>	<b>\$ (1,465)</b>	<b>-7.3%</b>	<b>\$ 99,981</b>	<b>\$ 94,288</b>	<b>\$ 5,693</b>	<b>6.0%</b>
<b>Other Income, Net</b>	<b>957</b>	<b>327</b>	<b>630</b>	<b>192.7%</b>	<b>4,454</b>	<b>2,155</b>	<b>2,299</b>	<b>106.7%</b>
<b>Interest Charges</b>	<b>6,240</b>	<b>4,975</b>	<b>1,265</b>	<b>25.4%</b>	<b>17,404</b>	<b>15,134</b>	<b>2,270</b>	<b>15.0%</b>
<b>Pre-tax Income</b>	<b>13,365</b>	<b>15,465</b>	<b>(2,100)</b>	<b>-13.6%</b>	<b>87,031</b>	<b>81,309</b>	<b>5,722</b>	<b>7.0%</b>
<b>Income Taxes</b>	<b>3,703</b>	<b>2,990</b>	<b>713</b>	<b>23.8%</b>	<b>23,385</b>	<b>20,555</b>	<b>2,830</b>	<b>13.8%</b>
<b>Net Income</b>	<b>\$ 9,662</b>	<b>\$ 12,475</b>	<b>\$ (2,813)</b>	<b>-22.5%</b>	<b>\$ 63,646</b>	<b>\$ 60,754</b>	<b>\$ 2,892</b>	<b>4.8%</b>
<b>Diluted EPS</b>	<b>\$ 0.54</b>	<b>\$ 0.71</b>	<b>\$ (0.17)</b>	<b>-23.9%</b>	<b>\$ 3.58</b>	<b>\$ 3.45</b>	<b>\$ 0.13</b>	<b>3.8%</b>

Solid incremental adjusted gross margin growth in the quarter and year-to-date.  
Increased interest expense impacting earnings growth.

# Key Drivers of Our Performance

## Quarter Ended September 30, 2022

### Diluted Earnings Per Share

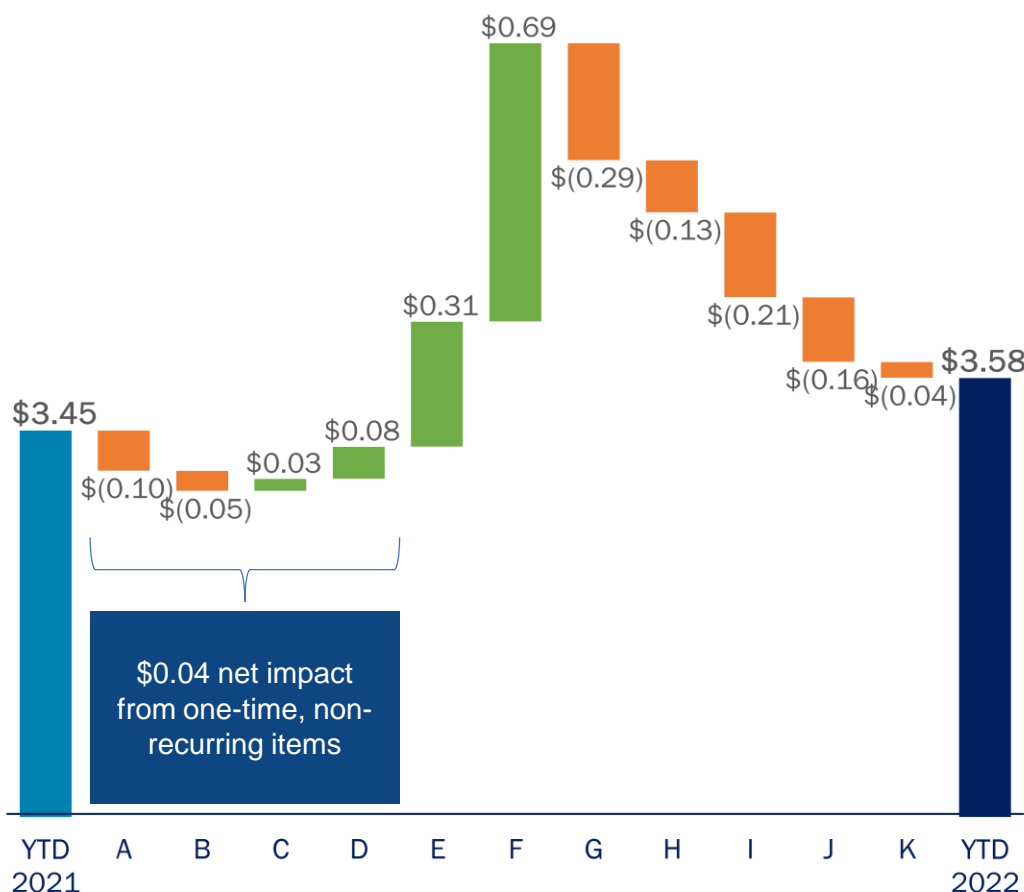


Q3 2021 Diluted Earnings Per Share		\$0.71
A	Absence of Regulatory deferral of COVID-19 expenses in per PSC's orders	-\$0.08
B	Absence of favorable income tax impact associated with the CARES Act	-\$0.05
C	Interest income from Federal Income Tax refund	\$0.03
D	Contributions from recent acquisitions	\$0.06
E	Core business growth	\$0.22
F	Operating expenses tied to recent acquisitions	-\$0.10
G	Operating expenses tied to core business growth	-\$0.08
H	Depreciation, amortization and property tax costs due to new capital investments	-\$0.07
I	Interest and other expenses	-\$0.09
J	Change in shares outstanding due to 2021 and 2022 equity offerings	-\$0.01
Q3 2022 Diluted Earnings Per Share		\$0.54

# Key Drivers of Our Performance

## Year-to-date Ended September 30, 2022

Diluted Earnings Per Share



YTD 2021 Diluted Earnings Per Share		\$3.45
A	Absence of Regulatory deferral of COVID-19 expenses in per PSC's orders	-\$0.10
B	Absence of favorable income tax impact associated with the CARES Act	-\$0.05
C	Interest income from Federal Income Tax refund	\$0.03
D	Gain from sale of assets	\$0.08
E	Contributions from recent acquisitions	\$0.31
F	Core business growth	\$0.69
G	Operating expenses tied to recent acquisitions	-\$0.29
H	Operating expenses tied to core business growth	-\$0.13
I	Depreciation, amortization and property tax costs due to new capital investments	-\$0.21
J	Interest and other expenses	-\$0.16
K	Change in shares outstanding due to 2021 and 2022 equity offerings	-\$0.04
YTD 2022 Diluted Earnings Per Share		\$3.58

# Regulated Energy Segment Financial Summary

Chesapeake Utilities' Regulated Energy Segment Drives Sustained Growth

## Regulated Energy Segment

(in thousands except per share data)

### Adjusted Gross Margin<sup>1</sup>

Dep., amort. & property taxes

Other operating expenses

Operating income

	Third Quarter		Change		Year to Date		Change	
	2022	2021	\$	%	2022	2021	\$	%
Adjusted Gross Margin <sup>1</sup>	<u>\$ 69,732</u>	<u>\$ 65,102</u>	<u>\$ 4,630</u>	<u>7.1%</u>	<u>\$222,800</u>	<u>\$209,718</u>	<u>\$ 13,082</u>	<u>6.2%</u>
Dep., amort. & property taxes	\$ 18,594	\$ 17,215	\$ 1,379	8.0%	\$ 55,225	\$ 50,794	\$ 4,431	8.7%
Other operating expenses	<u>27,475</u>	<u>24,517</u>	<u>2,958</u>	<u>12.1%</u>	<u>83,373</u>	<u>80,089</u>	<u>3,284</u>	<u>4.1%</u>
Operating income	<u>\$ 23,663</u>	<u>\$ 23,370</u>	<u>\$ 293</u>	<u>1.3%</u>	<u>\$ 84,202</u>	<u>\$ 78,835</u>	<u>\$ 5,367</u>	<u>6.8%</u>



## Year-to-Date 2022 Highlights

- Operating income up **6.8%** driven by:
  - Pipeline expansions by Eastern Shore Natural Gas, Peninsula Pipeline and Aspire Energy Express
  - Organic growth in natural gas distribution operations, including conversions
  - Incremental contributions from regulated infrastructure programs
  - Increased customer consumption
  - Interim rates associated with Florida natural gas base rate proceeding
  - Contributions from the Escambia Meter Station acquisition

# Unregulated Energy Segment Financial Summary

Strong Unregulated Margin Growth Overshadowed by Fixed Operating Costs

## Unregulated Energy Segment

(in thousands except per share data)

Adjusted Gross Margin<sup>1</sup>

Dep., amort. & property taxes

Other operating expenses

Operating income / (loss)

	Third Quarter		Change		Year to Date		Change	
	2022	2021	\$	%	2022	2021	\$	%
Adjusted Gross Margin <sup>1</sup>	\$ 17,146	\$ 14,897	\$ 2,249	15.1%	\$ 82,193	\$ 71,625	\$ 10,568	14.8%
Dep., amort. & property taxes	\$ 4,071	\$ 3,491	\$ 580	16.6%	\$ 12,025	\$ 10,271	\$ 1,754	17.1%
Other operating expenses	18,131	14,358	3,773	26.3%	54,611	45,730	8,881	19.4%
Operating income / (loss)	\$ (5,056)	\$ (2,952)	\$ (2,104)	NMF	\$ 15,557	\$ 15,624	\$ (67)	-0.4%



## Year-to-date 2022 Highlights

- Operating income down slightly, margin growth driven by:
  - Contributions from the acquisitions of Diversified Energy and Davenport Energy's Siler City propane division
  - Propane margins and higher service fees
  - Increased demand for CNG, RNG and LNG services
  - Increased demand on Aspire Energy system



# Capital Structure Overview

## Strong Balance Sheet to Support Growth

	9/30/2022	12/31/2021
Stockholders' equity	\$ 814,438	\$ 774,130
Long-term debt, net of current maturities	583,833	549,903
Total permanent capitalization	\$ 1,398,271	\$ 1,324,033
Current portion of long-term debt	21,478	17,962
Short-term debt	167,332	221,634
Total capitalization and short-term financing	\$ 1,587,081	\$ 1,563,629
Equity to Permanent Capital	58.2%	58.5%
Equity to Total Capitalization	51.3%	49.5%
New Long-Term Debt Issuance	\$ 50,000	\$ 59,590
Net New Equity Issuance	\$ 7,143	\$ 22,774

### Long-Term Debt

- Avg. Interest Rate: 3.38%
- \$50M: 2.95% issued in March 2022
- \$80M: 5.43% committed for issuance in March 2023

### Short-Term Debt

- \$400M facility
  - \$200M: LIBOR + 0.70%
  - \$200M: LIBOR + 0.95%
- Amended facilities to be based off of SOFR
- Eliminated investment thresholds
- Added green sublimit pricing to \$200M short-term facility (already included in long-term facility)
- Entered into interest rate swap on \$50M for 3 years at 3.98%

Stockholders' Equity increased \$40.3 million since the end of 2021 primarily driven by:

- Strong Net Income performance of \$63.6 million
- Dividend Reinvestment and Stock Compensation Plans increases of \$7.1 million
- Continued Dividend payments of \$27.8 million
- Other Comprehensive loss was \$2.7 million

# Major Projects and Initiatives

## Key Projects Driving Adjusted Gross Margin

### Project/Initiative

in thousands

#### Pipeline Expansions:

Western Palm Beach County, Florida Expansion<sup>1</sup>

Del-Mar Energy Pathway<sup>1,2</sup>

Guernsey Power Station

Southern Expansion

Winter Haven Expansion

Beachside Pipeline Extension

North Ocean City Connector

St. Cloud / Twin Lakes Expansion

Total Pipeline Expansions

#### CNG/RNG/LNG Transportation and Infrastructure

#### Acquisitions:

Propane Acquisitions

Escambia Meter Station

Total Acquisitions

#### Regulatory Initiatives:

Florida GRIP

Capital Cost Surcharge Programs

Elkton Gas STRIDE Plan

Florida Rate Case Proceeding

Total Regulatory Initiatives

**Total**

**Year-Over-Year Change**

	Adjusted Gross Margin							
	Three Months Ended September 30,		Six Months Ended September 30,		Year Ended December 31,	Estimate for Fiscal		
	2022	2021	2022	2021	2021	2022	2023	
Western Palm Beach County, Florida Expansion <sup>1</sup>	\$ 1,307	\$ 1,175	\$ 3,922	\$ 3,515	\$ 4,729	\$ 5,227	\$ 5,227	
Del-Mar Energy Pathway <sup>1,2</sup>	1,729	1,049	5,179	2,854	4,584	6,980	6,980	
Guernsey Power Station	373	47	1,004	141	187	1,380	1,486	
Southern Expansion	—	—	—	—	—	—	586	
Winter Haven Expansion	64	—	125	—	—	260	576	
Beachside Pipeline Extension	—	—	—	—	—	—	1,825	
North Ocean City Connector	—	—	—	—	—	—	400	
St. Cloud / Twin Lakes Expansion	—	—	—	—	—	—	414	
<b>Total Pipeline Expansions</b>	<b>3,473</b>	<b>2,271</b>	<b>10,230</b>	<b>6,510</b>	<b>9,500</b>	<b>13,847</b>	<b>17,494</b>	
<b>CNG/RNG/LNG Transportation and Infrastructure</b>	<b>2,813</b>	<b>1,598</b>	<b>7,473</b>	<b>5,383</b>	<b>7,566</b>	<b>9,500</b>	<b>10,500</b>	
<b>Acquisitions:</b>								
Propane Acquisitions	1,562	—	7,028	—	603	11,300	12,000	
Escambia Meter Station	250	250	749	333	583	1,000	1,000	
<b>Total Acquisitions</b>	<b>1,812</b>	<b>250</b>	<b>7,777</b>	<b>333</b>	<b>1,186</b>	<b>12,300</b>	<b>13,000</b>	
<b>Regulatory Initiatives:</b>								
Florida GRIP	5,022	4,306	14,824	12,543	16,995	19,858	20,154	
Capital Cost Surcharge Programs	489	433	1,503	690	1,199	2,018	1,936	
Elkton Gas STRIDE Plan	62	—	202	—	26	241	354	
Florida Rate Case Proceeding	521	—	521	—	—	TBD	TBD	
<b>Total Regulatory Initiatives</b>	<b>6,094</b>	<b>4,739</b>	<b>17,050</b>	<b>13,233</b>	<b>18,220</b>	<b>22,117</b>	<b>22,444</b>	
<b>Total</b>	<b>\$ 14,192</b>	<b>\$ 8,858</b>	<b>\$ 42,530</b>	<b>\$ 25,459</b>	<b>\$ 36,472</b>	<b>\$ 57,764</b>	<b>\$ 63,438</b>	
<b>Year-Over-Year Change</b>						<b>\$ 21,292</b>	<b>\$ 5,674</b>	

# Key Expansion Projects

## Pipeline Growth Contribution

Project	Capital Investment	Fully In Service	Annual Adjusted Gross Margin Estimate
Del-Mar Energy Pathway*	\$60.1 million	Q4 2021	\$7.0 million
West Palm Beach County*	\$28.9 million	Q4 2021	\$5.2 million
Guernsey Power Station	\$6.5 million	Q4 2021	\$1.5 million
Winter Haven Expansion	\$3.5 million	Q3 2022	\$0.6 million
North Ocean City Connector	\$6.3 million	Q4 2022	\$0.4 million
St. Cloud / Twin Lakes Expansion	\$3.5 million	Q2 2023	\$0.6 million
Beachside Pipeline Extension	\$16.7 million	Q2 2023	\$2.5 million
Southern Expansion	\$14.0 million	Q4 2023	\$2.3 million

Total investments of \$139.5 million generate incremental adjusted gross margin of \$20.1 million once fully in service in 2024

# Regulatory Initiatives

## Florida Natural Gas Base Rate Proceeding

- Florida natural gas distribution businesses jointly filed a consolidated natural gas base rate proceeding on May 24, 2022
- The Company is seeking approval for approximately \$24.1 million in permanent relief
- \$7.7 million (annualized) in interim rates have been approved for meter readings in September 2022\*
- Hearings completed in late October and the outcome of the application is subject to review and approval by the Florida PSC.

## Storm Protection Plan

- In 2020, the Florida PSC implemented rules that allow electric utilities to recover costs associated with the investments that protect a system in the event of a storm and prevent loss of service. Plan updates are required every 3 years.
- FPU's electric utility filed its Storm Protection Plan in April 2022, with hearings scheduled for August 2022
- FPU also filed its Storm Protection Plan Cost Recovery mechanism in May 2022, with hearings scheduled for November 2022

## Florida GRIP

- Natural gas pipe replacement program approved by the Florida PSC.
- Since inception in August 2012, invested \$201.4 million of capital expenditures to replace 351 miles of qualifying distribution mains, including \$11.9 million through the first nine months of 2022.
- Annual adjusted gross margin of \$19.9 million in 2022 and \$20.2 million in 2023.

# Regulatory Initiatives (continued)

## Elkton Gas STRIDE Plan

- Settlement reached with the Maryland PSC Staff and the Maryland Office of the Peoples Counsel.
- Aldyl-A pipeline replacement program which enables recovery of the capital investment in the form of a fixed charge rider through a proposed 5-year surcharge.
- Went into service in September 2021 and is expected to generate \$0.2 million of adjusted gross margin in 2022 and \$0.4 million annually thereafter.

## Eastern Shore Capital Cost Surcharge Programs

- Eastern Shore recovery mechanism for capital costs associated with mandated highway and railroad relocation projects, along with PHMSA required safety upgrades that required the replacement of existing Eastern Shore facilities.
- Expect the program will generate adjusted gross margin of approximately \$2.0 million in 2022 and 2023.



# Corporate Culture

## Internal Employee Resource Groups



CHESAPEAKE UTILITIES

**BLACK  
EMPLOYEE  
NETWORK**



CHESAPEAKE UTILITIES

**WISDOM  
SEEKERS  
& SHARERS**



CHESAPEAKE UTILITIES

**EQUITY  
DIVERSITY  
& INCLUSION**



CHESAPEAKE UTILITIES

**SPARC**

SUPPORT • PROMOTE • ATTRACT • RETAIN • CONNECT



CHESAPEAKE UTILITIES

**DiverseAbilities**

Awareness • Empathy • Inclusion • Advocacy



CHESAPEAKE UTILITIES

**VETERANS  
RESOURCE  
GROUP**



CHESAPEAKE UTILITIES

**EPIC**  
EQUAL PARTS OF  
INCLUSIVE CULTURES

**HOPE**

Heartfelt • Open • Prayer • Encouraged

## Recent Awards and Recognitions



Named Top Work Place  
in US for 2022,  
Top Work Place in Delaware for 10  
Years in a Row



Best Corporate Governance  
in the U.S. for 2022  
World News Media Ltd.'s  
World Finance Magazine



Chesapeake Utilities named  
2022 Best Company  
with Over 50 People.  
Sharp Energy named 2021  
Best Propane Company.



Marlin Compression received a  
CNG Implementation Energy  
Matters Award



Aspire Energy and  
Eastern Shore Natural Gas  
recognized by AGA  
as top safety performers

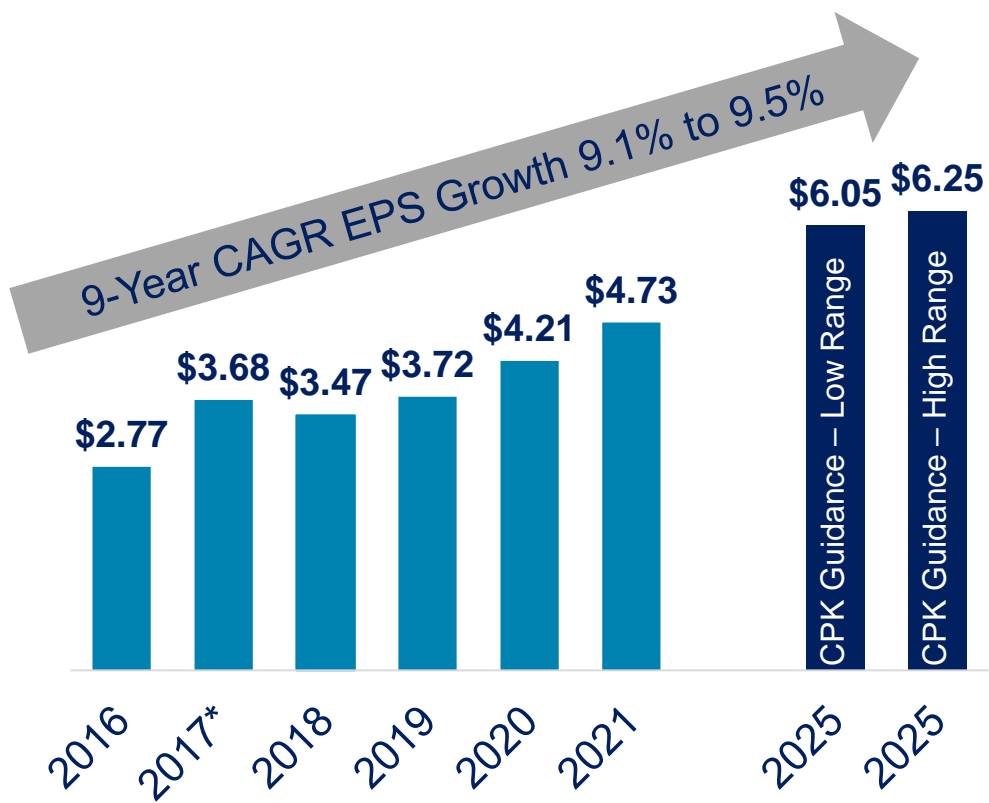
# Hurricane Ian

Thank You to all of Chesapeake Utilities' Employees Who Supported the Preparation and Response to Hurricane Ian

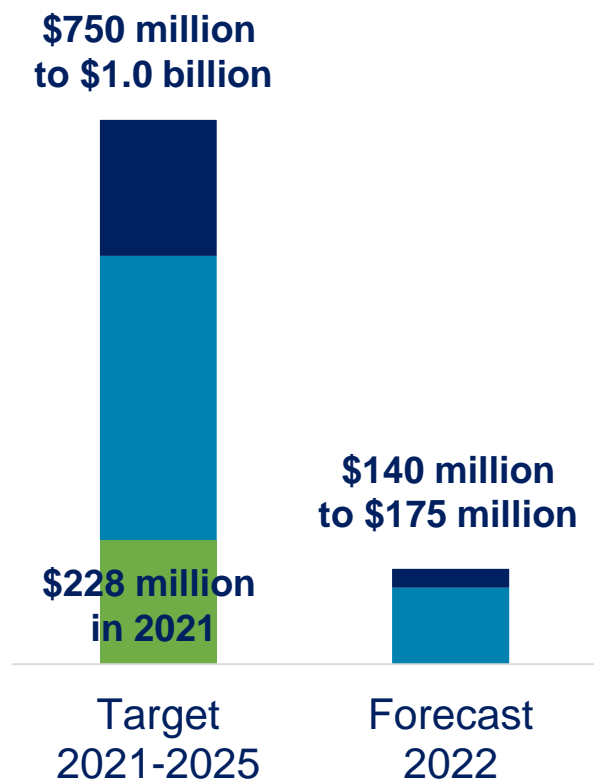


# Guidance Update

## Diluted Earnings Per Share from Continuing Operations Guidance through 2025



## Capital Expenditures Guidance through 2025 and for 2022



Strategic capital investments continue to drive earnings growth.

# Investment Proposition

## Committed to Superior Performance

We seek to identify and develop opportunities to drive our future earnings growth and increase shareholder value.

- Capitalizing on new organic growth and continuing our Business Transformation initiatives
- Investing in pipeline systems that provide natural gas service to downstream customers
- Identifying propane opportunities to access new markets with significant growth potential
- Pursuing virtual pipeline opportunities utilizing Marlin's capabilities (CNG, LNG, RNG, etc.)
- Expanding our RNG footprint by using our energy delivery solutions and expertise throughout our service areas
- Investing in our diverse talented team
- Engaging with communities where we work and live
- Driving brand excellence through safety awards, top workplace, employee engagement and community service



### Financial Objectives in Support of Increased Shareholder Value:

- Investing \$750 million to \$1 billion through 2025
- Targeting 2025 EPS \$6.05 to \$6.25
- Seeking 11.0% or higher consolidated return on equity
- Pursuing dividend growth supported by earnings growth
- Maintaining a strong balance sheet

### Average Annualized Shareholder Return For Periods Ending September 30, 2022

1 Year	3 Year	5 Year	10 Year	20 Year
-2%	11%	11%	17%	16%

# Appendix





# GAAP to Non-GAAP Reconciliation

## Consolidated Results

### Consolidated Results

(in thousands except per share data)

#### Operating Revenues

#### Cost of Sales:

Natural gas, propane and electric costs

Depreciation & amortization

Operations & maintenance expense<sup>1</sup>

#### Gross Margin (GAAP)

Operations & maintenance expense<sup>1</sup>

Depreciation & amortization

#### Adjusted Gross Margin (non-GAAP)

	Third Quarter		Change		Year-to-Date		Change	
	2022	2021	\$	%	2022	2021	\$	%
<b>Operating Revenues</b>	<b>\$ 131,053</b>	<b>\$ 107,335</b>	<b>\$ 23,718</b>	<b>22.1%</b>	<b>\$ 493,403</b>	<b>\$ 409,604</b>	<b>\$ 83,799</b>	<b>20.5%</b>
<b>Cost of Sales:</b>								
Natural gas, propane and electric costs	(44,205)	(27,366)	\$ (16,839)	61.5%	(188,502)	(128,365)	\$ (60,137)	46.8%
Depreciation & amortization	(17,339)	(15,798)	\$ (1,541)	9.8%	(51,532)	(46,460)	\$ (5,072)	10.9%
Operations & maintenance expense <sup>1</sup>	(16,513)	(13,617)	\$ (2,896)	21.3%	(47,700)	(42,034)	\$ (5,666)	13.5%
<b>Gross Margin (GAAP)</b>	<b>52,996</b>	<b>50,554</b>	<b>\$ 2,442</b>	<b>4.8%</b>	<b>205,669</b>	<b>192,745</b>	<b>\$ 12,924</b>	<b>6.7%</b>
Operations & maintenance expense <sup>1</sup>	16,513	13,617	2,896	21.3%	47,700	42,034	5,666	13.5%
Depreciation & amortization	17,339	15,798	1,541	9.8%	51,532	46,460	5,072	10.9%
<b>Adjusted Gross Margin (non-GAAP)</b>	<b>\$ 86,848</b>	<b>\$ 79,969</b>	<b>\$ 6,879</b>	<b>8.6%</b>	<b>\$ 304,901</b>	<b>\$ 281,239</b>	<b>\$ 23,662</b>	<b>8.4%</b>

<sup>1</sup> 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, 2021 for additional details.

# GAAP to Non-GAAP Reconciliation

## Regulated Energy Segment

### Regulated Energy Segment

(in thousands except per share data)

#### Operating Revenues

#### Cost of Sales:

Natural gas and electric costs

Depreciation & amortization

Operations & maintenance expense<sup>1</sup>

#### Gross Margin (GAAP)

Operations & maintenance expense<sup>1</sup>

Depreciation & amortization

#### Adjusted Gross Margin (non-GAAP)

	Third Quarter		Change		Year-to-Date		Change	
	2022	2021	\$	%	2022	2021	\$	%
<b>Operating Revenues</b>	<b>\$ 90,980</b>	<b>\$ 80,396</b>	<b>\$ 10,584</b>	<b>13.2%</b>	<b>\$ 311,064</b>	<b>\$ 282,503</b>	<b>\$ 28,561</b>	<b>10.1%</b>
<b>Cost of Sales:</b>								
Natural gas and electric costs	(21,248)	(15,294)	\$ (5,954)	38.9%	(88,264)	(72,785)	\$ (15,479)	21.3%
Depreciation & amortization	(13,271)	(12,296)	\$ (975)	7.9%	(39,496)	(36,156)	\$ (3,340)	9.2%
Operations & maintenance expense <sup>1</sup>	<u>(9,211)</u>	<u>(8,124)</u>	<u>\$ (1,087)</u>	<u>13.4%</u>	<u>(25,694)</u>	<u>(24,708)</u>	<u>\$ (986)</u>	<u>4.0%</u>
<b>Gross Margin (GAAP)</b>	<b>47,250</b>	<b>44,682</b>	<b>\$ 2,568</b>	<b>5.7%</b>	<b>157,610</b>	<b>148,854</b>	<b>\$ 8,756</b>	<b>5.9%</b>
Operations & maintenance expense <sup>1</sup>	9,211	8,124	1,087	13.4%	25,694	24,708	986	4.0%
Depreciation & amortization	13,271	12,296	975	7.9%	39,496	36,156	3,340	9.2%
<b>Adjusted Gross Margin (non-GAAP)</b>	<b>\$ 69,732</b>	<b>\$ 65,102</b>	<b>\$ 4,630</b>	<b>7.1%</b>	<b>\$ 222,800</b>	<b>\$ 209,718</b>	<b>\$ 13,082</b>	<b>6.2%</b>

<sup>1</sup> 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, 2021 for additional details.

# GAAP to Non-GAAP Reconciliation

## Unregulated Energy Segment

### Unregulated Energy Segment

(in thousands except per share data)

#### Operating Revenues

#### Cost of Sales:

Natural gas and propane

Depreciation & amortization

Operations & maintenance expense<sup>1</sup>

#### Gross Margin (GAAP)

Operations & maintenance expense<sup>1</sup>

Depreciation & amortization

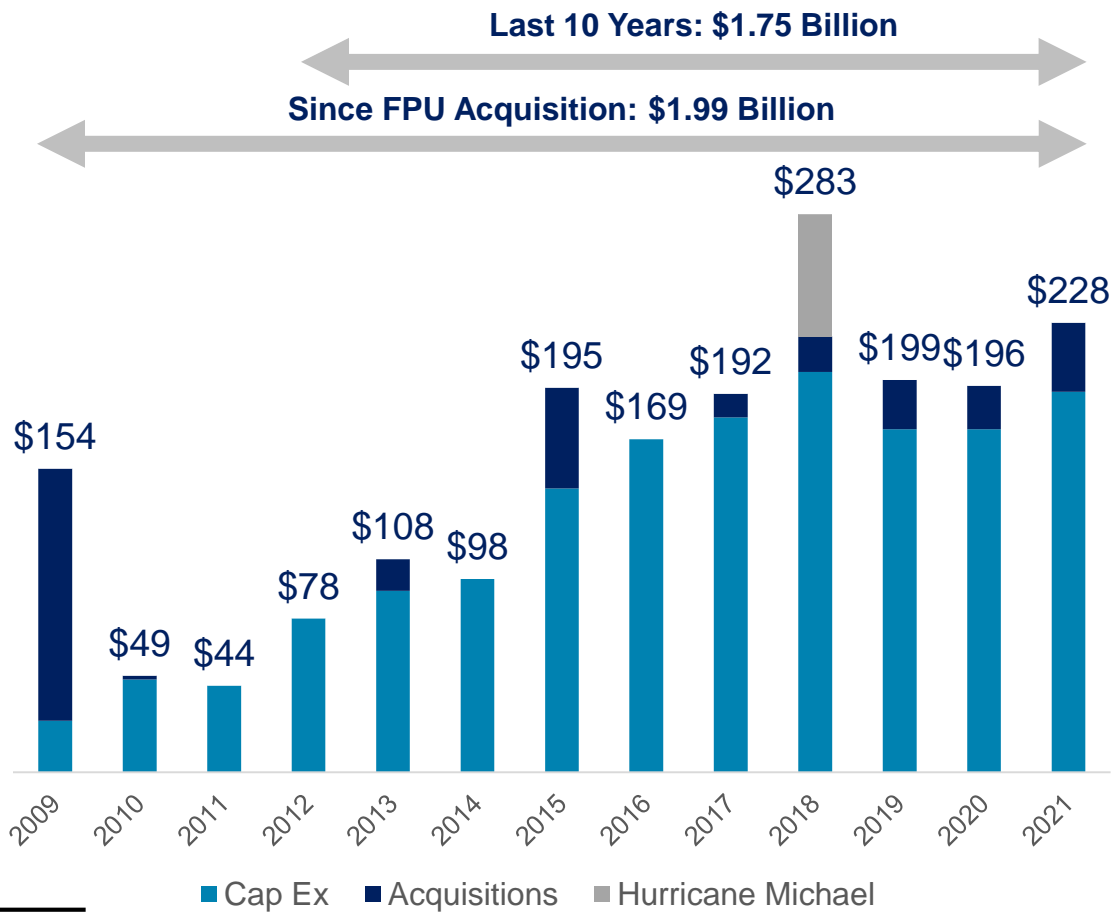
#### Adjusted Gross Margin (non-GAAP)

	Third Quarter		Change		Year-to-Date		Change	
	2022	2021	\$	%	2022	2021	\$	%
<b>Operating Revenues</b>	<b>\$ 47,914</b>	<b>\$ 32,110</b>	<b>\$ 15,804</b>	<b>49.2%</b>	<b>\$ 202,669</b>	<b>\$ 141,642</b>	<b>\$ 61,027</b>	<b>43.1%</b>
<b>Cost of Sales:</b>								
Natural gas and propane	(30,768)	(17,213)	\$ (13,555)	78.7%	(120,476)	(70,017)	\$ (50,459)	72.1%
Depreciation & amortization	(4,071)	(3,491)	\$ (580)	16.6%	(12,025)	(10,271)	\$ (1,754)	17.1%
Operations & maintenance expense <sup>1</sup>	<u>(7,673)</u>	<u>(5,733)</u>	<u>\$ (1,940)</u>	<u>33.8%</u>	<u>(21,428)</u>	<u>(17,851)</u>	<u>\$ (3,577)</u>	<u>20.0%</u>
<b>Gross Margin (GAAP)</b>	<b>5,402</b>	<b>5,673</b>	<b>\$ (271)</b>	<b>-4.8%</b>	<b>48,740</b>	<b>43,503</b>	<b>\$ 5,237</b>	<b>12.0%</b>
Operations & maintenance expense <sup>1</sup>	<b>7,673</b>	<b>5,733</b>	<b>1,940</b>	<b>33.8%</b>	<b>21,428</b>	<b>17,851</b>	<b>3,577</b>	<b>20.0%</b>
Depreciation & amortization	<b>4,071</b>	<b>3,491</b>	<b>580</b>	<b>16.6%</b>	<b>12,025</b>	<b>10,271</b>	<b>1,754</b>	<b>17.1%</b>
<b>Adjusted Gross Margin (non-GAAP)</b>	<b>\$ 17,146</b>	<b>\$ 14,897</b>	<b>\$ 2,249</b>	<b>15.1%</b>	<b>\$ 82,193</b>	<b>\$ 71,625</b>	<b>\$ 10,568</b>	<b>14.8%</b>

<sup>1</sup> 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, 2021 for additional details.

# Capital Investment Has Driven Our Earnings Growth

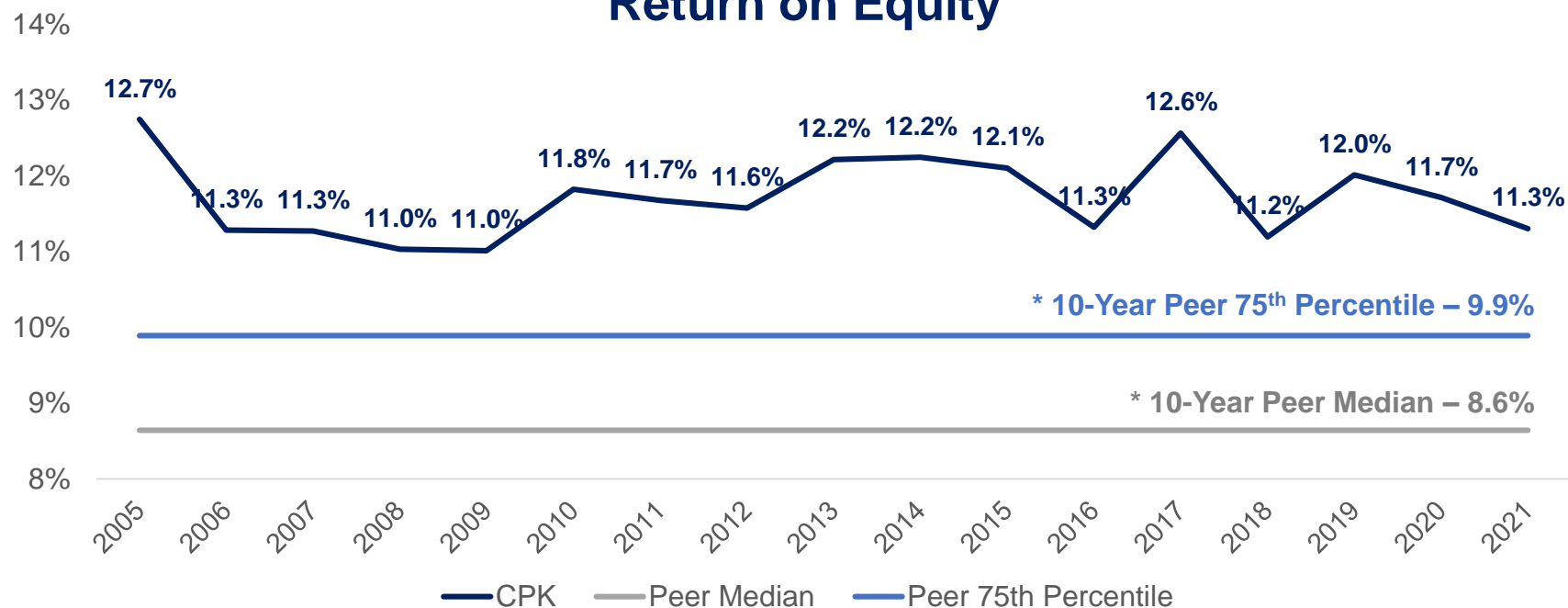
## Historical Capital Expenditures and Acquisitions



# Solid Track Record of Return on Equity

Consistently exceeding peer median and 75<sup>th</sup> percentile

## Return on Equity



17 years with 11%+ Return on Equity

# Mission, Vision and Values

## OUR **Mission**

**We deliver energy that makes life better for the people and communities we serve.**

## OUR **Vision**

**We will be a leader in delivering energy that contributes to a sustainable future.**

## OUR **Values**

### Care

**We put people first.**

Keep them safe. Build trusting relationships. Foster a culture of equity, diversity and inclusion. Make a meaningful difference everywhere we live and work.

### Integrity

**We tell the truth.**

Ensure moral and ethical principles drive our decision-making. Do the right thing even when no one is watching.

### Excellence

**We achieve great things together.**

Hold each other accountable to do the work that makes us better, every day. Never give up.