

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): November 2, 2023**

**Chesapeake Utilities Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-11590**  
(Commission  
File Number)

**51-0064146**  
(I.R.S. Employer  
Identification No.)

**500 Energy Lane, Dover, Delaware**  
(Address of principal executive offices)

**19901**  
(Zip Code)

**Registrant's telephone number, including area code: 302. 734.6799**

**Not Applicable**

**Former name or former address, if changed since last report**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock - par value per share \$0.4867	CPK	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD Disclosure.**

On November 2, 2023, Chesapeake Utilities Corporation (the "Company") posted a presentation that will be used during its conference call on November 3, 2023, to discuss the Company's financial results for the third quarter ended September 30, 2023, on its website ([www.chpk.com](http://www.chpk.com)) under the "Investors" section. This presentation is being furnished as Exhibit 99.1 to this Current Report on Form 8-K (this "Report").

The information contained in this Item 7.01 and in Exhibit 99.1 attached to this Report is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of such section. Furthermore, such information shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit Numbers</b>	<b>Description</b>
99.1	<a href="#">2023 Third Quarter Earnings Presentation</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Chesapeake Utilities Corporation

November 3, 2023

By: /s/ Beth W. Cooper  
Name: *Beth W. Cooper*  
Title: Executive Vice President, Chief Financial Officer, Treasurer, and  
Assistant Corporate Secretary

**CHESAPEAKE  
UTILITIES  
CORPORATION**

**Third Quarter 2023  
Earnings Conference Call**

**November 3, 2023**



## Today's Presenters

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### **Jeff Householder**

Chairman of the Board, President, and 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

# 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, 2022 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, 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.

See Appendix for a reconciliation of Gross Margin, Net Income and EPS, all as defined under GAAP, to our non-GAAP measures of Adjusted Gross Margin, Adjusted Net Income, and Adjusted EPS for each of the periods presented.

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

## Financial Highlights



- Adjusted EPS of **\$0.69** and **\$3.63**, respectively, for the quarter and year-to-date periods ended September 30, 2023
  - Excludes transaction-related expenses of \$0.16 attributable to the announced acquisition of Florida City Gas ("FCG")
  - Historically warmer temperatures throughout the first half of 2023 lowered adjusted EPS by approximately **\$0.41** per share year to date
- Adjusted gross margin growth of **\$7.6 million** during the third quarter was driven by continued pipeline expansion projects, natural gas organic growth, regulatory initiatives, and increased propane margins and fees
- Entered into a definitive agreement to acquire FCG for approximately **\$923 million**, which is expected to close in the fourth quarter of 2023
- Reaffirming capital expenditure and EPS guidance
  - Capital range from \$1.5 to \$1.8 billion for the five-year period ended 2028
  - EPS and Adjusted EPS guidance to a range of \$7.75 to \$8.00 per share for 2028

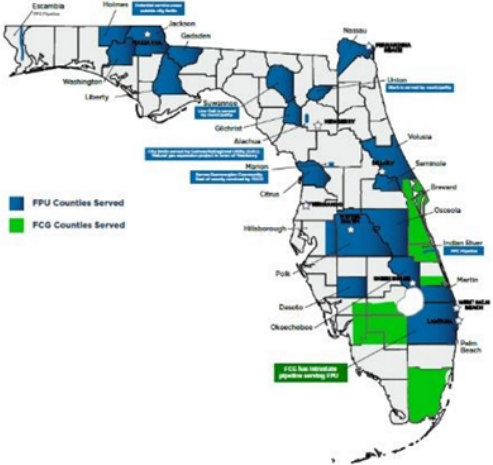
# Florida City Gas: Acquisition Announcement Recap

In September, Chesapeake Utilities reached a definitive agreement to acquire Florida City Gas (FCG) for \$923 million

**Expands Platform in Florida**  
 High growth utility jurisdiction; gas system expansion opportunities

**Enhances Scale and Efficiency**  
 CPK has extensive operational and regulatory expertise

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



- Immediately more than doubles CPK natural gas distribution presence and positions CPK to capture additional growth opportunities across all our growth platforms and beyond our existing footprint in high-growth Florida, whose GDP growth outpaces the rest of the U.S.
- Leverages our core competencies, expertise and community relationships, and adding FCG's talented team members creates a stronger consolidated operation
- Supports increase in CPK's capital investment plan, supports and extends EPS growth rate of 8% and supports long-term dividend growth

*We are confident in the growth outlook associated with this transaction and are excited to welcome Florida City Gas employees and customers to CPK upon closing*





# Florida City Gas: Acquisition Closing Progress Update

We remain on track for closing in the fourth quarter of 2023

## Approvals update

- Hart-Scott-Rodino waiting period expires at the end of the day on November 6
- Delaware PSC regulatory approval received October 25
- Maryland PSC regulatory approval received November 1

## Financing Plan update

- Maintaining a strong balance sheet remains a priority
- As part of our overall financial risk mitigation, CPK actively evaluating evolving market dynamics
- We have significant flexibility in terms of the timing and forms of permanent capital for the transaction
- We remain steadfast that our long-term financing plan will reflect an investment grade balance sheet and will be in the form most efficient for CPK

## Transition Planning update

Upon the approval and closing of the transaction, a seamless transition for both employees and customers is our priority.

Our transition team is comprised of experienced leaders and led by a strong executive presence.

The team is actively identifying objectives and targets working towards a smooth Day 1.

# Continued Expansion to Serve Growing Demand

## Announced ESNG's Worcester Resiliency Upgrade

- Planned liquefied natural gas storage facility in Bishopville, MD allowing for up to 0.5 million gallons of storage
- Project allows ESNG to provide critical energy service during peak winter heating season; improvements will help protect against weather-related disruptions, keeping energy prices affordable
- Expected total capital investment of approximately \$80 million
- 30-year agreements with customers

## MACH2™ Hydrogen Hub Proposal Awarded

- MACH2™ announced as one of seven hydrogen hub proposals awarded
- Collaboration between Delaware, southern New Jersey and southeastern Pennsylvania
- Up to \$750 million awarded, with 1/3 estimated to be allocated to Delaware
- Chesapeake Utilities is a project partner in the hub; helps advance affordable and realistic environmentally responsible solutions



## Ongoing and Recently Completed Expansions

### Ongoing Expansions

- Wildlight Expansion: Multiple pipeline extensions, a gas injection interconnect, and associated facilities
  - Various phases commenced in Q1'23 and continue through 2025 - expected adjusted gross margin of \$2 million in 2024 and beyond
- Newberry Expansion: pipeline extension project approved by Florida PSC in July 2023
  - Supports the development of a natural gas distribution system that will bring gas service to the City of Newberry - expected adjusted gross margin of \$0.9 million in 2024 and beyond

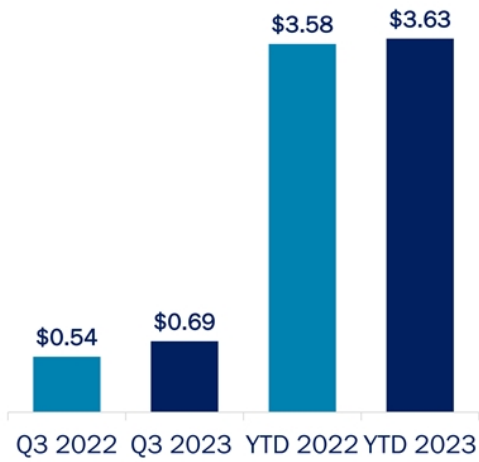
### Recently Completed Expansions

- St. Cloud / Twin Lakes Expansion completed in Q3'23
- Expansion to serve Clean Energy's CNG fueling station completed in Q3'23
- ESNG's Southern Expansion completed in Q4'23



# Year-to-Date 2023 Financial Performance

## Adjusted Diluted Earnings Per Share



## Key Year-to-Date Earnings Adjusted Gross Margin Drivers



# Third Quarter and Year-to-Date 2023 Financial Summary

Solid performance, despite significantly warmer weather and continued inflationary environment

## Consolidated

(in thousands except per share data)

**Total Adjusted Gross Margin<sup>1</sup>**

**Operating Income**

**Other Income (Expense), Net**

**Interest Charges**

**Pre-tax Income**

**Income Taxes**

**Net Income**

**Diluted EPS**

**Net Income (GAAP)**

**Transaction-related expenses, net<sup>2</sup>**

**Adjusted Net Income (Non-GAAP)<sup>1</sup>**

**Adjusted Earnings Per Share - Diluted (Non-GAAP)<sup>1</sup>**

	Third Quarter		Change		Year to Date		Change	
	2023	2022	\$	%	2023	2022	\$	%
<b>Total Adjusted Gross Margin<sup>1</sup></b>	<b>\$ 94,453</b>	\$ 86,848	\$ 7,605	8.8%	<b>\$ 323,791</b>	\$ 304,901	\$ 18,890	6.2%
<b>Operating Income</b>	<b>20,228</b>	18,648	1,580	8.5%	<b>103,488</b>	99,981	3,507	3.5%
<b>Other Income (Expense), Net</b>	<b>(72)</b>	957	(1,029)	-107.5%	<b>1,036</b>	4,454	(3,418)	-76.7%
<b>Interest Charges</b>	<b>7,076</b>	6,240	836	13.4%	<b>21,272</b>	17,404	3,868	22.2%
<b>Pre-tax Income</b>	<b>13,080</b>	13,365	(285)	-2.1%	<b>83,252</b>	87,031	(3,779)	-4.3%
<b>Income Taxes</b>	<b>3,673</b>	3,703	(30)	-0.8%	<b>21,368</b>	23,385	(2,017)	-8.6%
<b>Net Income</b>	<b>\$ 9,407</b>	\$ 9,662	\$ (255)	-2.6%	<b>\$ 61,884</b>	\$ 63,646	\$ (1,762)	-2.8%
<b>Diluted EPS</b>	<b>\$ 0.53</b>	\$ 0.54	\$ (0.01)	-2.4%	<b>\$ 3.47</b>	\$ 3.58	\$ (0.11)	-3.1%
<b>Net Income (GAAP)</b>	<b>\$ 9,407</b>	\$ 9,662	\$ (255)	-2.6%	<b>\$ 61,884</b>	\$ 63,646	\$ (1,762)	-2.8%
<b>Transaction-related expenses, net<sup>2</sup></b>	<b>2,804</b>	-	2,804		<b>2,898</b>	-	2,898	
<b>Adjusted Net Income (Non-GAAP)<sup>1</sup></b>	<b>\$ 12,211</b>	\$ 9,662	\$ 2,549	26.4%	<b>\$ 64,782</b>	\$ 63,646	\$ 1,136	1.8%
<b>Adjusted Earnings Per Share - Diluted (Non-GAAP)<sup>1</sup></b>	<b>\$ 0.69</b>	\$ 0.54	\$ 0.15	27.8%	<b>\$ 3.63</b>	\$ 3.58	\$ 0.05	1.4%

<sup>1</sup>See appendix for GAAP to non-GAAP reconciliations.

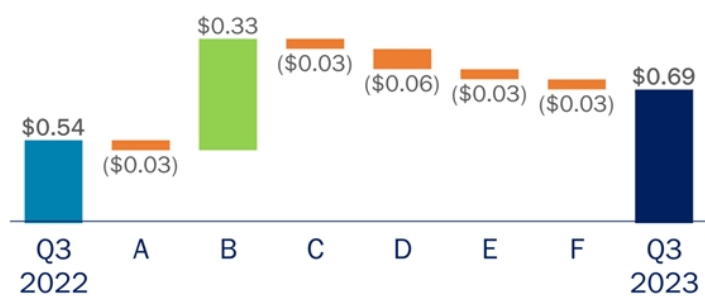
<sup>2</sup>Transaction-related expenses represent costs incurred attributable to the announced acquisition of FCG including, but not limited to, legal, consulting, audit and financing fees.



## Key Drivers of Performance – Quarter Ended September 30, 2023

Adjusted Diluted Earnings Per Share<sup>1</sup>

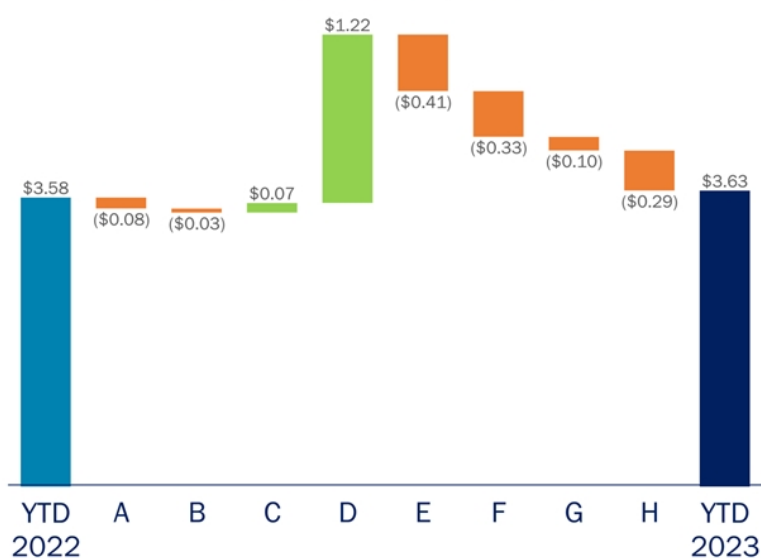
Q3 2022 Adjusted Diluted Earnings Per Share	\$0.54
A Absence of Interest income from Federal Income Tax refund	-\$0.03
B Core business growth (not impacted by consumption)	\$0.33
C Lower customer consumption	-\$0.03
D Operating expenses	-\$0.06
E Depreciation, amortization and property tax costs due to new capital investments	-\$0.03
F Interest and other changes	-\$0.03
Q3 2023 Adjusted Diluted Earnings Per Share <sup>1</sup>	\$0.69



<sup>1</sup> See appendix for GAAP to non-GAAP reconciliation for adjusted diluted earnings per share

## Key Drivers of Performance – Year-to-Date September 30, 2023

Adjusted Diluted Earnings Per Share<sup>1</sup>



YTD 2022 Adjusted Diluted Earnings Per Share	\$3.58
A Absence of gain from sales of assets	-\$0.08
B Absence of Interest income from Federal Income Tax refund	-\$0.03
C Reduction in state tax rate	\$0.07
D Core business growth (not impacted by weather)	\$1.22
E Lower customer consumption related to warmer weather	-\$0.41
F Operating expenses	-\$0.33
G Depreciation, amortization and property tax costs due to new capital investments	-\$0.10
H Interest and other changes	-\$0.29
YTD 2023 Adjusted Diluted Earnings Per Share <sup>1</sup>	\$3.63



<sup>1</sup> See appendix for GAAP to non-GAAP reconciliation for adjusted diluted earnings per share

# Regulated Energy Segment – Financial Summary

Continued expansion and customer growth, offset by reduced consumption

(in thousands)

Adjusted Gross Margin<sup>1</sup>

Dep., amort. & property taxes  
Transaction-related expenses<sup>2</sup>  
Other operating expenses  
Operating income

Third Quarter		Change		Year-to-Date		Change	
2023	2022	\$	%	2023	2022	\$	%
<b>\$ 75,893</b>	\$ 69,732	\$ 6,161	8.8%	<b>\$ 240,130</b>	\$ 222,800	\$ 17,330	7.8%
18,891	18,594	297	1.6%	56,415	55,225	1,190	2.2%
3,899	-	3,899	NMF	3,899	-	3,899	NMF
28,191	27,475	716	2.6%	87,988	83,373	4,615	5.5%
<b>\$ 24,912</b>	\$ 23,663	\$ 1,249	5.3%	<b>\$ 91,828</b>	\$ 84,202	\$ 7,626	9.1%



## Year-to-Date Highlights

- Operating income up 13.7% (excluding FCG transaction costs) driven by:
  - Permanent rates associated with Florida natural gas base rate proceeding
  - Organic growth in natural gas distribution operations, including propane CGS conversions
  - Pipeline expansions by Eastern Shore Natural Gas, Florida Natural Gas, Peninsula Pipeline and Aspire Energy Express
  - Incremental contributions from regulated infrastructure programs
  - Partially offset by reduced customer consumption



<sup>1</sup>See appendix for GAAP to non-GAAP reconciliation of adjusted gross margin

<sup>2</sup>Transaction-related expenses represent costs incurred attributable to the announced acquisition of FCG including, but not limited to, legal, consulting, audit and financing fees.

# Unregulated Energy Segment – Financial Summary

Warmer weather partially offset by continued demand for virtual pipeline services

(in thousands)

Adjusted Gross Margin<sup>1</sup>

Dep., amort. & property taxes

Other operating expenses

Operating income (loss)

	Third Quarter		Change		Year-to-Date		Change	
	2023	2022	\$	%	2023	2022	\$	%
Adjusted Gross Margin <sup>1</sup>	\$ 18,589	\$ 17,146	\$ 1,443	8.4%	\$ 83,818	\$ 82,193	\$ 1,625	2.0%
Dep., amort. & property taxes	4,902	4,507	395	8.8%	14,500	13,269	1,231	9.3%
Other operating expenses	18,410	17,695	715	4.0%	57,789	53,367	4,422	8.3%
Operating income (loss)	\$ (4,723)	\$ (5,056)	\$ 333	6.6%	\$ 11,529	\$ 15,557	\$ (4,028)	-25.9%



<sup>1</sup>See appendix for GAAP to non-GAAP reconciliation of adjusted gross margin

## Year-to-Date Highlights

- Operating income impacted by warmer weather and seasonal demand:
  - Reduced customer consumption impacted adjusted gross margin by approx. \$6 million in Delmarva and Ohio regions due to warmer weather primarily during the first half of the year
  - Operating results during the second and third quarter historically have been lower as demand for propane declines in the warmer months
  - Partially offset by increased propane margins and service fees; and
  - Increased levels of virtual pipeline services



## Capital Structure Overview – Strong Balance Sheet to Support Growth

	9/30/2023	12/31/2022
Stockholders' equity	\$ 866,677	\$ 832,801
Long-term debt, net of current maturities	643,801	578,388
<b>Total permanent capitalization</b>	<b>\$ 1,510,478</b>	<b>\$ 1,411,189</b>
Current portion of long-term debt	20,000	21,483
Short-term debt	118,570	202,157
<b>Total capitalization and short-term financing</b>	<b>\$ 1,649,048</b>	<b>\$ 1,634,829</b>
Equity to Permanent Capital	57.4%	59.0%
Equity to Total Capitalization	52.6%	50.9%
New Long-Term Debt Issuance	\$ 80,000	\$ 50,000
Net New Equity Issuance	\$ 2,542	\$ 8,916

Stockholders' Equity increased \$33.9 million since the end of 2022 primarily driven by:

- Strong Net Income performance of \$61.9 million
- Continued Dividend payments of \$30.8 million



### Long-Term Debt

- Avg. Interest Rate: 3.89%
- \$80M: 5.43% issued in March 2023

### Short-Term Debt

- \$375M facility
  - 1 year facility: \$175M, SOFR + 0.75%
  - 5 year facility: \$200M, SOFR + 0.95%
- Maintaining a \$50M interest rate swap at 3.98% through September 2025

### FCG Acquisition Related

- Revolver amended to extend 1 year facility through August 2024 and increase funded indebtedness ratio during defined acquisition period
- Bridge Facility commitment for up to \$965.0M

## Key Drivers of Growth



### Organic Growth:

- 5.6% / 4.0% residential customer growth in Delmarva / Florida for Q3'23
- Added more than 8,700 residential customers since September 2022
- Natural gas continues to be the preferred energy source for our customers



### Gas Transmission:

- Completion of St. Cloud / Twin Lakes expansion project in Q3'23
- Clean Energy expansion for CNG fueling station in Davenport, Florida placed into service during Q3'23
- Pipeline expansions continue to advance at the Wildlight Community in Yulee, Florida and other locations throughout our service territories
- ESNG's Southern Expansion was placed into service in Q4'23
- New projects being evaluated and pursued in Delmarva, Florida and Ohio



### Propane Distribution:

- Continued to mitigate impacts of historically warmer weather experienced in the first half of the year across northern territories
- Ongoing advancement of our community gas system strategy
- Integrating Sharp's programs and practices within recent acquisitions



### Marlin Gas Services:

- Continued demand for CNG services on a year-to-date basis
- Provided interim service for Clean Energy's CNG fueling station in Florida through in-service date in September



### Sustainable Investments:

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

# Major Projects and Initiatives Update

## Key Projects and Initiatives Driving Capital Investment and Adjusted Gross Margin

Project/Initiative (in thousands)	Adjusted Gross Margin							
	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended	Estimate for Fiscal		
	2023	2022	2023	2022	December 2022	2023	2024	
<b>Pipeline Expansions:</b>								
Guernsey Power Station	\$ 373	\$ 373	\$ 1,107	\$ 1,004	\$ 1,377	\$ 1,486	\$ 1,482	
Southern Expansion	-	-	-	-	-	586	2,344	
Winter Haven Expansion	166	64	468	125	260	576	626	
Beachside Pipeline Extension	603	-	1,206	-	-	1,825	2,451	
North Ocean City Connector	-	-	-	-	-	-	200	
St. Cloud / Twin Lakes Expansion	118	-	118	-	-	268	584	
Clean Energy <sup>1</sup>	267	-	783	-	126	1,009	1,009	
Wildlight	178	-	271	-	-	528	2,000	
Lake Wales	114	-	152	-	-	265	454	
Newberry	-	-	-	-	-	-	862	
Total Pipeline Expansions	1,819	437	4,105	1,129	1,763	6,543	12,012	
<b>CNG/RNG/LNG Transportation and Infrastructure</b>	2,385	2,813	8,811	7,473	11,100	\$ 11,321	\$ 12,500	
<b>Regulatory Initiatives:</b>								
Florida GUARD Program	90	-	90	-	-	324	2,421	
Capital Cost Surcharge Programs	687	489	2,110	1,503	2,001	2,811	3,979	
Florida Rate Case Proceeding <sup>2</sup>	3,991	521	11,961	521	2,474	16,289	17,153	
Electric Storm Protection Plan	298	-	940	-	486	960	2,433	
Total Regulatory Initiatives	5,066	1,010	15,101	2,024	4,961	20,384	25,986	
<b>Total</b>	\$ 9,270	\$ 4,260	\$ 28,017	\$ 10,626	\$ 17,824	\$ 38,248	\$ 50,498	
<b>Year-Over-Year Change</b>						\$ 20,424	\$ 12,250	



<sup>1</sup>Includes adjusted gross margin generated from interim services through the project in-service date in September 2023.

<sup>2</sup>Includes adjusted gross margin during 2023 comprised of both interim rates and permanent base rates which became effective in March 2023.

# Regulatory Initiatives

## Rate Case Initiatives

### Florida Public Utilities

- Rates became effective March 1, 2023
- Incremental \$17.2 million rate increase with allowed ROE of 10.25% and equity percentage of 55%
- Consolidated four natural gas distribution entities

### Maryland LDCs

- Planning combined rate case and depreciation studies for: Maryland Division, Sandpiper Energy and Elkton Gas
- Anticipate filing by January 31, 2024

### Florida City Gas

- Rates became effective May 1, 2023
- Incremental \$23.3 million rate increase with allowed ROE of 8.5%-10.5%
- Reserve surplus amortization mechanism to help keep earnings at top end

## Infrastructure Programs

### Florida Public Utilities

#### Natural Gas

- GUARD (Gas Utility Access and Replacement Directive) – projected capital investment of \$205 million over a 10-year period
- Enhances safety, reliability and accessibility of portions of FPU's natural gas distribution system

#### Electric

- Storm Protection Plan and Storm Protection Plan Cost Recovery mechanisms – projected capital investment of over \$8 million for 2023 with continued investment going forward

### ESNG Capital Surcharge

- No specified limit on capital investment or time frame
- Recovery mechanism for capital costs associated with mandated highway and railroad relocate projects and compliance with new PHMSA regulations requiring the replacement of existing ESNG facilities

### Florida City Gas

- Rate Case order approved both an extension and expansion of SAFE
- Proposed investment / construction schedule currently pending - \$205.5 million, extension to 2035

# Chesapeake Utilities' Company Culture

## Tradition of Recognition Continues

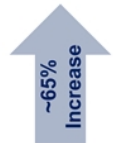
- Recognized as 2023 Champion of Board Diversity by The Forum of Executive Women
- For the **fourth consecutive year**, Chesapeake Utilities was recognized as Best Energy Provider and Sharp Energy as Best Propane Company by the Delaware State News' Stars of Delaware awards
  - Nominated by and voted on by Delaware State News readers
- 2022 Sustainability Report recognized with four MerComm ARC (Annual Report Competition) International Awards



# Capital Expenditure Guidance Update

**\$1.5-\$1.8 Billion 5-year Capital Investment Plan (2024-2028), a ~65% Increase from Previous Plan**

**New  
Guidance**



2024-2028  
\$1.5B-\$1.8B

New 5-year plan: \$1.5B to \$1.8B (2024-2028)

**Previous  
Guidance**

2021-2022  
\$369M

2023-2025  
\$531M-\$731M

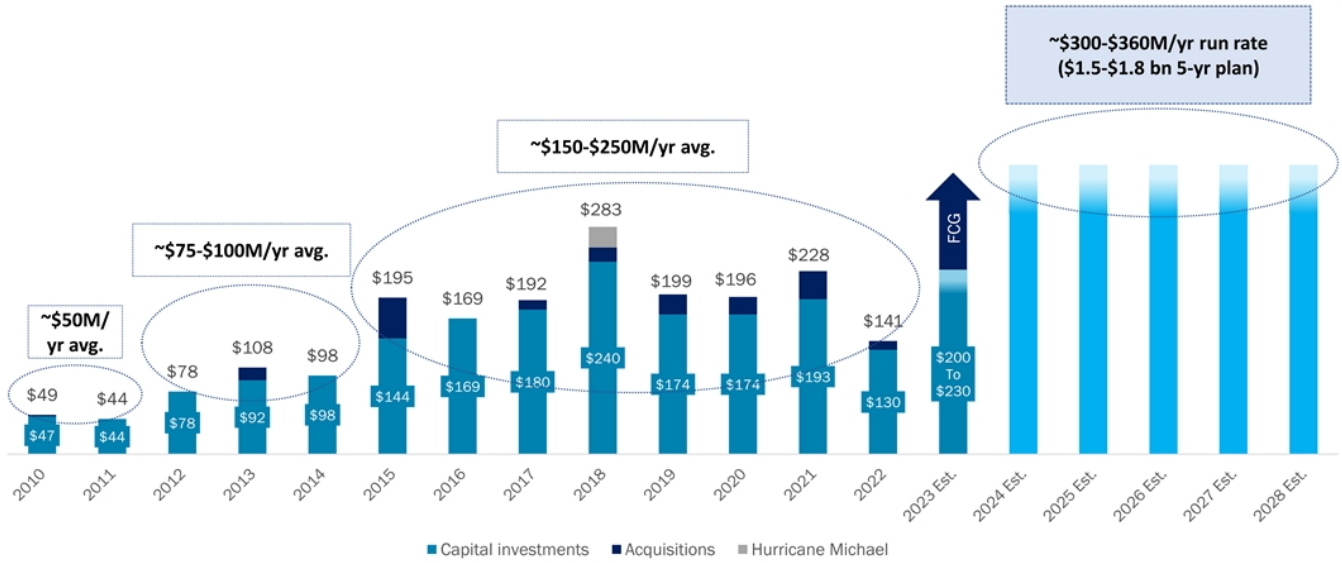
Prior 5-year plan: \$900M to \$1.1B (2021-2025)

### Key Drivers of Investment Plan

- Investment in distribution systems to serve growing customer base and ensure reliability
- Investment in related infrastructure, including gas transmission that supports the utility systems
- Increase in capital investment projections for CPK's legacy businesses

# Track Record of Growing Capital Expenditures

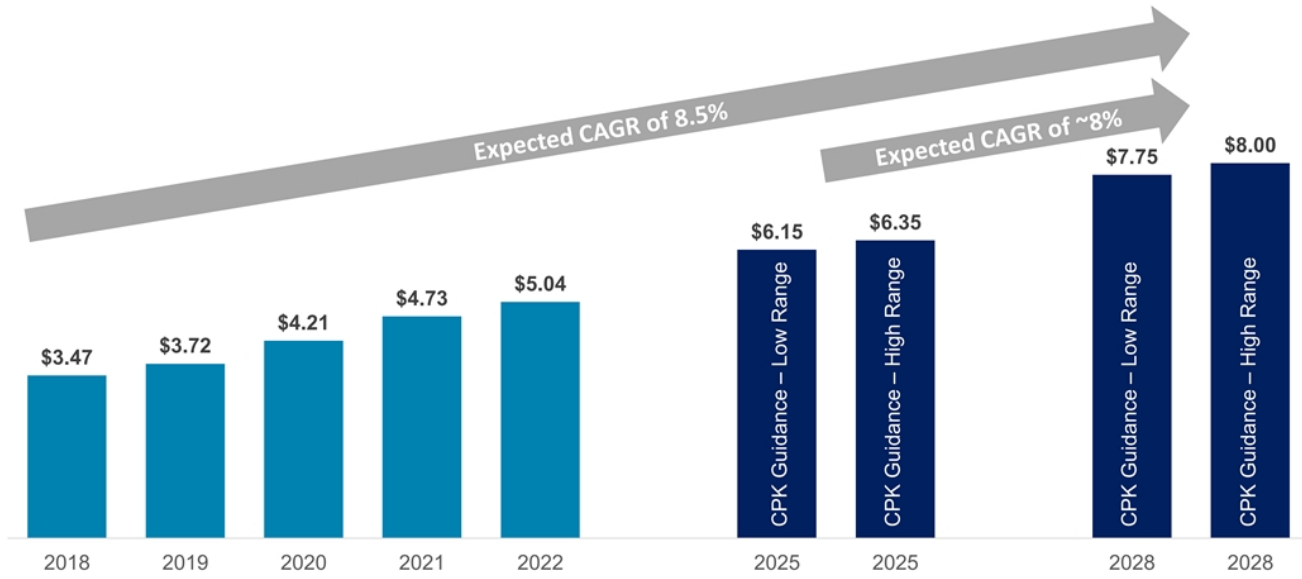
## Long Track Record of Successfully Growing Capital Investment Plan



Amounts in chart reflected in millions.

# Extending Earnings Growth Projections

Earnings Per Share Growth Guidance Extended through 2028\*



\* Diluted Earnings Per Share Growth from Continuing Operations



# Investment Proposition – Committed to Superior Performance

## Our Foundation for Growth Remains Strong

We continually increase shareholder value through our:

 <b>TRACK RECORD</b>	<p>Over and over, we have proven we get it done; we have a long history of top-tier earnings growth</p> <ul style="list-style-type: none"><li>• Consistently beating expectations, recording 16 years of consecutive earnings per share growth and 19 consecutive years of increasing the dividend*</li></ul>
 <b>ENERGIZED TEAM</b>	<p>We have the expertise to balance project development and execution</p> <ul style="list-style-type: none"><li>• Our team prioritizes our people, our customers, our assets and our communities while striving to deliver growth and value for our stakeholders</li></ul>
 <b>FINANCIAL DISCIPLINE</b>	<p>We are steadfast in the cost management of capital investments and ongoing operations</p> <ul style="list-style-type: none"><li>• Targeting 2025 EPS \$6.15 to \$6.35 and growing to \$7.75 to \$8.00 by 2028, an 8% CAGR over the period</li></ul>
 <b>PLATFORMS FOR GROWTH</b>	<p>We identify and execute steady, return-oriented capital investments across each of our five platforms for growth</p> <ul style="list-style-type: none"><li>• Cap ex guidance of \$1.5 billion to \$1.8 billion through 2028, driven by our legacy businesses and benefits from Florida City Gas acquisition</li></ul>

**CHESAPEAKE  
UTILITIES  
CORPORATION**

## Appendix

## Customer Consumption During the Nine Months Ended September 30, 2023

### Exceptionally Warm Weather Across All Service Areas

- The effects of warmer temperatures primarily during the first half of 2023 have significantly impacted our year-to-date earnings
- Delmarva and Ohio service territories had a more significant impact given the heat load in our northern service areas
- CPK continues to mitigate the impacts of weather through organic growth initiatives, the Florida rate case outcome and cost management
- We will continue to take steps to offset the impacts of weather throughout the fourth quarter

Delmarva		Nine Months Ended September 30,		Variance Year-over-Year	
		2023	2022	#	%
Actual HDD		2,069	2,603	(534)	-21%
10-yr Avg HDD ("Normal")		2,731	2,710	21	
Variance from Normal	#	(662)	(107)		
	%	-24%			

Ohio		Nine Months Ended September 30,		Variance Year-over-Year	
		2023	2022	#	%
Actual HDD		3,148	3,614	(466)	-13%
10-yr Avg HDD ("Normal")		3,661	3,614	47	
Variance from Normal	#	(513)	(12)		
	%	-14%			

Florida		Nine Months Ended September 30,		Variance Year-over-Year	
		2023	2022	#	%
Actual HDD		371	535	(164)	-31%
10-yr Avg HDD ("Normal")		550	543	7	
Variance from Normal	#	(179)	(8)		
	%	-33%			

## GAAP to Non-GAAP Reconciliation – Consolidated Results

(in thousands)

	Third Quarter		Change		Year-to-Date		Change	
	2023	2022	\$	%	2023	2022	\$	%
<b>Operating Revenues</b>	<b>\$ 131,547</b>	\$ 131,053	\$ 494	0.4%	<b>\$ 485,269</b>	\$ 493,403	\$ (8,134)	-1.6%
<b>Cost of Sales:</b>								
Natural gas, propane and electric costs	(37,094)	(44,205)	7,111	-16.1%	(161,478)	(188,502)	27,024	-14.3%
Depreciation & amortization	(17,610)	(17,339)	(271)	1.6%	(52,096)	(51,532)	(564)	1.1%
Operations & maintenance expense <sup>1</sup>	(12,733)	(16,513)	3,780	-22.9%	(47,251)	(47,700)	449	-0.9%
<b>Gross Margin (GAAP)</b>	<b>64,110</b>	52,996	11,114	21.0%	<b>224,444</b>	205,669	18,775	9.1%
Operations & maintenance expense <sup>1</sup>	12,733	16,513	(3,780)	-22.9%	47,251	47,700	(449)	-0.9%
Depreciation & amortization	17,610	17,339	271	1.6%	52,096	51,532	564	1.1%
<b>Adjusted Gross Margin (non-GAAP)</b>	<b>\$ 94,453</b>	\$ 86,848	\$ 7,605	8.8%	<b>\$ 323,791</b>	\$ 304,901	\$ 18,890	6.2%

<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, 2022 for additional details.

## GAAP to Non-GAAP Reconciliation – Regulated Energy Segment

(in thousands)

	Third Quarter		Change		Year-to-Date		Change	
	2023	2022	\$	%	2023	2022	\$	%
<b>Operating Revenues</b>	<b>\$ 102,411</b>	<b>\$ 90,980</b>	<b>\$ 11,431</b>	<b>12.6%</b>	<b>\$ 345,822</b>	<b>\$ 311,064</b>	<b>\$ 34,758</b>	<b>11.2%</b>
<b>Cost of Sales:</b>								
Natural gas, propane and electric costs	(26,518)	(21,248)	(5,270)	24.8%	(105,692)	(88,264)	(17,428)	19.7%
Depreciation & amortization	(13,192)	(13,271)	79	-0.6%	(39,179)	(39,496)	317	-0.8%
Operations & maintenance expense <sup>1</sup>	(4,819)	(9,211)	4,392	-47.7%	(23,346)	(25,694)	2,348	-9.1%
<b>Gross Margin (GAAP)</b>	<b>57,882</b>	<b>47,250</b>	<b>10,632</b>	<b>22.5%</b>	<b>177,605</b>	<b>157,610</b>	<b>19,995</b>	<b>12.7%</b>
Operations & maintenance expense <sup>1</sup>	4,819	9,211	(4,392)	-47.7%	23,346	25,694	(2,348)	-9.1%
Depreciation & amortization	13,192	13,271	(79)	-0.6%	39,179	39,496	(317)	-0.8%
<b>Adjusted Gross Margin (non-GAAP)</b>	<b>\$ 75,893</b>	<b>\$ 69,732</b>	<b>\$ 6,161</b>	<b>8.8%</b>	<b>\$ 240,130</b>	<b>\$ 222,800</b>	<b>\$ 17,330</b>	<b>7.8%</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, 2022 for additional details.

## GAAP to Non-GAAP Reconciliation – Unregulated Energy Segment

(in thousands)

	Third Quarter		Change		Year-to-Date		Change	
	2023	2022	\$	%	2023	2022	\$	%
<b>Operating Revenues</b>	<b>\$ 34,970</b>	<b>\$ 47,914</b>	<b>\$(12,944)</b>	<b>-27.0%</b>	<b>\$ 158,886</b>	<b>\$ 202,669</b>	<b>\$(43,783)</b>	<b>-21.6%</b>
<b>Cost of Sales:</b>								
Natural gas, propane and electric costs	(16,381)	(30,768)	14,387	-46.8%	(75,068)	(120,476)	45,408	-37.7%
Depreciation & amortization	(4,420)	(4,071)	(349)	8.6%	(12,923)	(12,025)	(898)	7.5%
Operations & maintenance expense <sup>1</sup>	(7,532)	(7,673)	141	-1.8%	(23,528)	(21,428)	(2,100)	9.8%
<b>Gross Margin (GAAP)</b>	<b>6,637</b>	<b>5,402</b>	<b>1,235</b>	<b>22.9%</b>	<b>47,367</b>	<b>48,740</b>	<b>(1,373)</b>	<b>-2.8%</b>
Operations & maintenance expense <sup>1</sup>	7,532	7,673	(141)	-1.8%	23,528	21,428	2,100	9.8%
Depreciation & amortization	4,420	4,071	349	8.6%	12,923	12,025	898	7.5%
<b>Adjusted Gross Margin (non-GAAP)</b>	<b>\$ 18,589</b>	<b>\$ 17,146</b>	<b>\$ 1,443</b>	<b>8.4%</b>	<b>\$ 83,818</b>	<b>\$ 82,193</b>	<b>\$ 1,625</b>	<b>2.0%</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, 2022 for additional details.

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

(in thousands, except shares and per share data)

**Net Income (GAAP)**

Transaction-related expenses, net<sup>1</sup>

**Adjusted Net Income (Non-GAAP)**

Weighted average common shares outstanding - diluted

**Earnings Per Share - Diluted (GAAP)**

Transaction-related expenses, net<sup>1</sup>

**Adjusted Earnings Per Share - Diluted (Non-GAAP)**

	Third Quarter		Year-to-Date	
	2023	2022	2023	2022
<b>Net Income (GAAP)</b>	\$ 9,407	\$ 9,662	\$ 61,884	\$ 63,646
Transaction-related expenses, net <sup>1</sup>	<u>2,804</u>	<u>-</u>	<u>2,898</u>	<u>-</u>
<b>Adjusted Net Income (Non-GAAP)</b>	<u>\$ 12,211</u>	<u>\$ 9,662</u>	<u>\$ 64,782</u>	<u>\$ 63,646</u>
Weighted average common shares outstanding - diluted	<u>17,857,784</u>	<u>17,819,373</u>	<u>17,847,288</u>	<u>17,797,001</u>
<b>Earnings Per Share - Diluted (GAAP)</b>	\$ 0.53	\$ 0.54	\$ 3.47	\$ 3.58
Transaction-related expenses, net <sup>1</sup>	<u>0.16</u>	<u>-</u>	<u>0.16</u>	<u>-</u>
<b>Adjusted Earnings Per Share - Diluted (Non-GAAP)</b>	<u>\$ 0.69</u>	<u>\$ 0.54</u>	<u>\$ 3.63</u>	<u>\$ 3.58</u>



<sup>1</sup> Transaction-related expenses represent costs incurred attributable to the announced acquisition of FCG including, but not limited to, legal, consulting, audit and financing fees.

## Quarterly Earnings Cadence\*

Adjusted EPS					
Year	Q1	Q2	Q3	Q4	FY
2023	\$2.04	\$0.90	\$0.69*		
2022	\$2.08	\$0.96	\$0.54	\$1.46	\$5.04
% of FY	41%	19%	11%	29%	
2021	\$1.96	\$0.78	\$0.71	\$1.28	\$4.73
% of FY	41%	16%	15%	27%	
2020	\$1.77	\$0.64	\$0.56	\$1.24	\$4.21
% of FY	42%	15%	13%	29%	
2019	\$1.75	\$0.54	\$0.38	\$1.04	\$3.72**
% of FY	47%	15%	10%	28%	
2018	\$1.66	\$0.35	\$0.37	\$1.09	\$3.47
% of FY	48%	10%	11%	31%	
<b>5yr % Band</b>	<b>41% - 48%</b>	<b>10% - 19%</b>	<b>10% - 15%</b>	<b>27% - 31%</b>	

Note: Historic Adjusted EPS presented from continuing operations

\*Beginning in the third quarter of 2023, the Company's earnings per share metric was adjusted to exclude transaction-related expenses attributable to the announced acquisition of FCG including, but not limited to, legal, consulting, audit and financing fees.

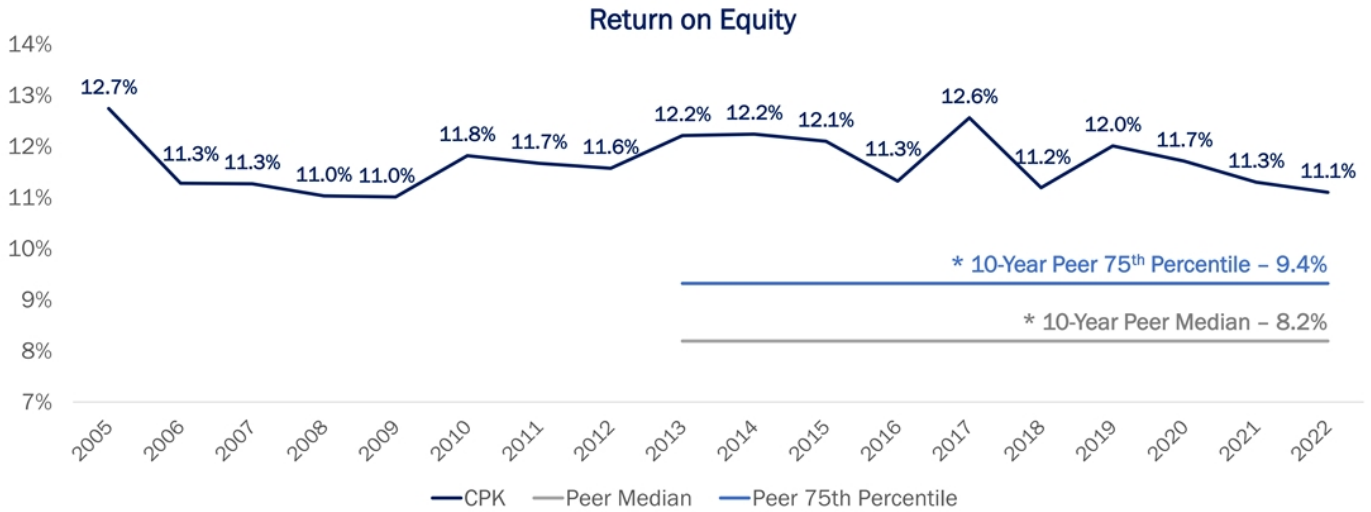
\*\*The sum of the four quarters does not equal the full year amount due to rounding and the impact of average share counts





# Solid Track Record of Return on Equity

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



18 years with 11%+ Return on Equity



\* Peer ROE's as of 12/31/2022

## 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.