



First Quarter 2022

Earnings Conference Call

MAY 4, 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

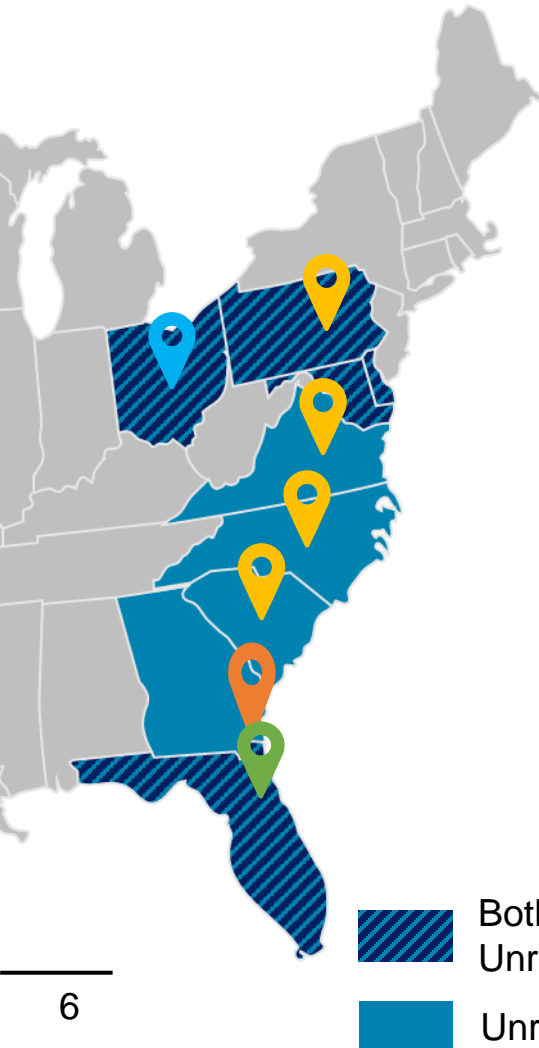


- Increased Diluted EPS by **6.1%** over Q1 2021
- Drove **\$8.8 million** in adjusted gross margin growth, despite mixed weather results during the quarter
- Remain on track for 2022 capital expenditure guidance of **\$175 million to \$200 million**
- Issued **\$50 million** of **2.95%** Senior Notes
- Successful Eight Flags CHP **hydrogen testing**
- Opened **CNG fueling station** near the Port of Savannah with **RNG** distribution capabilities
- Announced **Ocean City Connector** project, bringing additional capacity to southern DE/northern MD beach areas
- Increased annualized dividend per share by **11.5%**

Growth Platform Focus

 Organic Growth:	<ul style="list-style-type: none">• 5.3% residential customer growth on Delmarva• 4.0% residential customer growth in Florida• New customers from propane CGS conversions• Announced Northern Ocean City Connector project
 Gas Transmission:	<ul style="list-style-type: none">• Continuing with Beachside, Winter Haven and Southern expansion projects• Margin from Escambia Meter Station acquisition
 Propane Distribution:	<ul style="list-style-type: none">• Diversified Energy contributed approximately \$4.0 million in adjusted gross margin• Recognized \$0.6 million gain on propane CGS conversions to natural gas
 Marlin Gas Services:	<ul style="list-style-type: none">• Opened CNG filling station near the Port of Savannah• Tanker versatility to support hydrogen testing at Eight Flags CHP facility
 Sustainable Investments:	<ul style="list-style-type: none">• Savannah fueling station supports RNG• Successful hydrogen testing at Eight Flags CHP• Published inaugural ESG report

Expanding Our Service Territory With Sustainable Investments



- Noble Road

- 33-miles pipeline carrying RNG to Aspire system



- Diversified Energy

- Acquisition of propane assets, with opportunity to expand AutoGas services



- Port of Savannah CNG Filling Station

- Opened in March 2022, with RNG fueling capabilities



- Hydrogen Testing

- Successful test of 4% hydrogen blend, with additional testing in 2022



Both Regulated and Unregulated



Unregulated

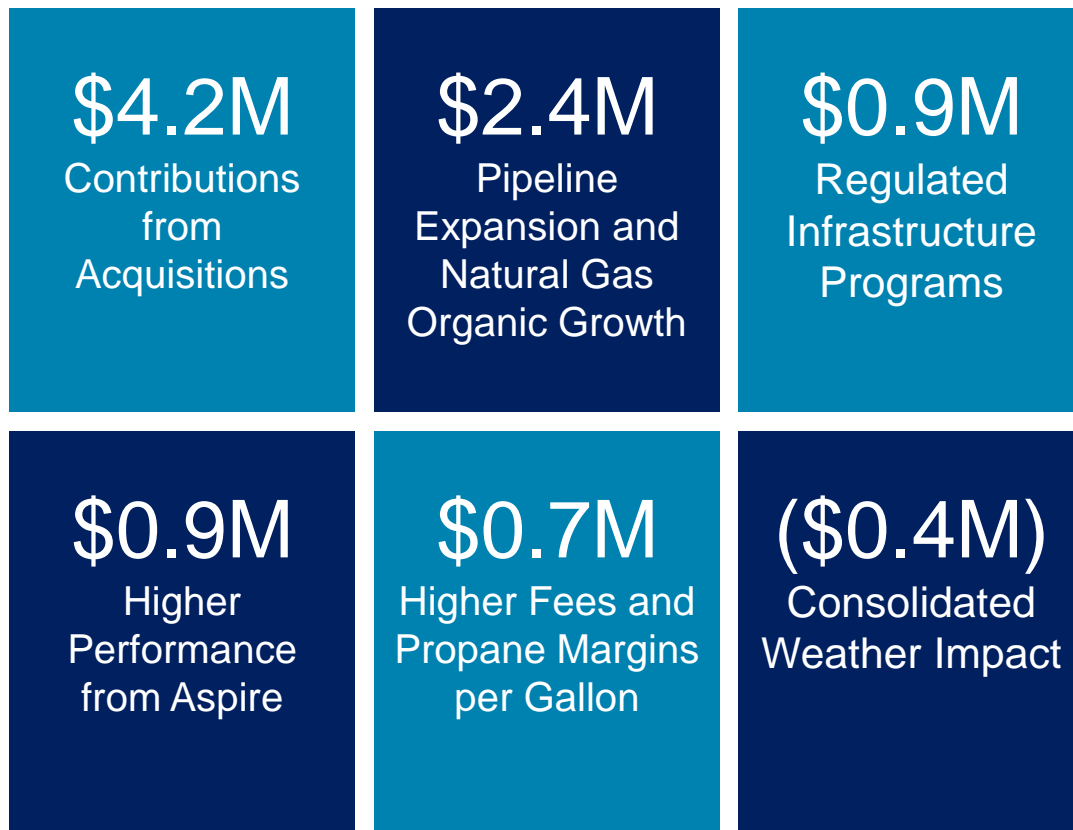
First Quarter 2022 Financial Performance

Solid Earnings Growth

Diluted Earnings Per Share



Key Drivers of Earnings Performance



First Quarter 2022 Financial Summary

(in thousands except per share data)

Total Adjusted Gross Margin¹

Operating Income

Other Income, Net

Interest Charges

Pre-tax Income

Income Taxes

Net Income

Diluted EPS from Cont. Ops.

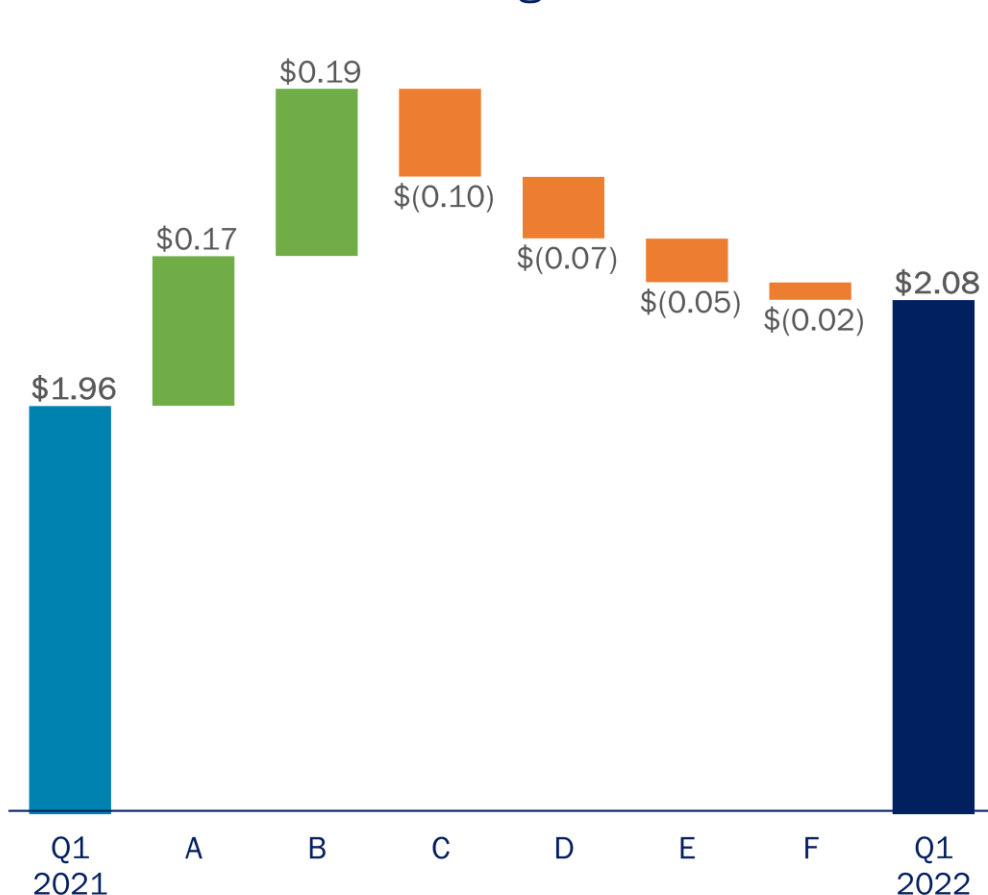
	First Quarter		Change	
	2022	2021	\$	%
Total Adjusted Gross Margin¹	\$ 125,700	\$ 116,890	\$ 8,810	7.5%
Operating Income	\$ 54,865	\$ 51,597	\$ 3,268	6.3%
Other Income, Net	913	375	538	143.5%
Interest Charges	5,339	5,105	234	4.6%
Pre-tax Income	50,439	46,867	3,572	7.6%
Income Taxes	13,506	12,401	1,105	8.9%
Net Income	\$ 36,933	\$ 34,466	\$ 2,467	7.2%
Diluted EPS from Cont. Ops.	\$ 2.08	\$ 1.96	\$ 0.12	6.1%

Solid adjusted gross margin and earnings growth despite inflationary challenges and weather volatility

Key Drivers of Our Performance

Quarter Ended March 31, 2022

Diluted Earnings Per Share



Q1 2021 Diluted Earnings Per Share		\$1.96
A	Contributions from recent acquisitions	\$0.17
B	Core business growth	\$0.19
C	Operating expenses tied to recent acquisitions	-\$0.10
D	Depreciation, amortization and property tax costs due to new capital investments	-\$0.07
E	Operating expenses tied to core business growth	-\$0.05
F	Change in shares outstanding due to 2021 and 2022 equity offerings	-\$0.02
Q1 2022 Diluted Earnings Per Share		\$2.08

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
Dep., amort. & property taxes
Other operating expenses
Operating Income

	First Quarter		Change	Percent Change
	2022	2021		
Adjusted gross margin	\$ 82,449	\$ 78,154	\$ 4,295	5.5%
Dep., amort. & property taxes	18,251	16,924	1,327	7.8%
Other operating expenses	29,517	28,593	924	3.2%
Operating Income	\$ 34,681	\$ 32,637	\$ 2,044	6.3%

First Quarter 2022 Highlights

- Operating income up **6.3%** driven by:
 - Pipeline expansions by ESNG, Peninsula Pipeline and Aspire Energy Express
 - Organic growth in natural gas distribution operations
 - Incremental contributions from regulated infrastructure programs
 - Contributions from the Escambia Meter Station acquisition

Unregulated Energy Segment Financial Summary

Chesapeake Utilities' Driving Higher Returns With Complementary Unregulated Energy Segment



Unregulated Energy Segment

(in thousands except per share data)

	First Quarter		Change	Percent Change
	2022	2021		
Adjusted gross margin	\$ 43,284	\$ 38,776	\$ 4,508	11.6%
Dep., amort. & property taxes	4,296	3,769	527	14.0%
Other operating expenses	18,942	16,024	2,918	18.2%
Operating Income	<u>\$ 20,046</u>	<u>\$ 18,983</u>	<u>\$ 1,063</u>	<u>5.6%</u>

First Quarter 2022 Highlights

- Operating income up **5.6%** driven by:
 - Contributions from the acquisition of Diversified Energy
 - Increased margins from propane and Aspire Energy
 - Lower propane consumption primarily driven by volatile weather
 - Inflationary environment weighed on operating expenses

Capital Structure Overview

Strong Balance Sheet to Support Growth

	3/31/2022	12/31/2021
Stockholders' equity	\$ 805,512	\$ 774,130
Long-term debt, net of current maturities	597,878	549,903
Total permanent capitalization	\$ 1,403,390	\$ 1,324,033
Current portion of long-term debt	19,717	17,962
Short-term debt	140,865	221,634
Total capitalization and short-term financing	\$ 1,563,972	\$ 1,563,629
Equity to Permanent Capital	57.4%	58.5%
Equity to Total Capitalization	51.5%	49.5%
New Long-Term Debt Issuance	\$ 50,000	\$ 59,590
Net New Equity Issuance	\$ 2,563	\$ 22,774

Long-Term Debt

Avg. Interest Rate: 3.41%
 \$50M: 2.95% issued in
 March 2022

While competitively priced,
 new long-term debt will increase
 interest expense by ~\$1M annually

Short-Term Debt

\$400 Million Facility
 \$200M: LIBOR + 0.70%
 \$200M: LIBOR + 0.95%

LT debt includes \$9M of
 sustainability linked financing

Stockholders' Equity increased \$31.4 million since the end of 2021 primarily driven by:

- Strong Net Income performance of \$36.9 million
- Dividend Reinvestment and Stock Compensation Plans increases of \$2.6 million
- Continued Dividend payments of \$8.7 million
- Other Comprehensive Income was \$0.5 million

Major Projects and Initiatives

Key Projects Driving Adjusted Gross Margin

Project/Initiative <i>in thousands</i>	Adjusted Gross Margin				
	Three Months Ended		Year Ended	Estimate for	
	March 31,		December 31,	Fiscal	
	2022	2021	2021	2022	2023
Pipeline Expansions:					
Western Palm Beach County, Florida Expansion	\$ 1,307	\$ 1,167	\$ 4,729	\$ 5,227	\$ 5,227
Del-Mar Energy Pathway	1,722	884	4,584	6,980	6,867
Guernsey Power Station	263	47	187	1,380	1,486
Southern Expansion	—	—	—	375	2,344
Winter Haven Expansion	33	—	—	401	976
Beachside Pipeline Extension	—	—	—	—	1,825
North Ocean City Connector	—	—	—	—	400
Total Pipeline Expansions	3,325	2,098	9,500	14,363	19,125
Virtual Pipeline Solutions (CNG/RNG/LNG)	2,142	2,077	7,566	8,500	9,500
RNG Infrastructure	91	—	—	1,000	1,000
Acquisitions:					
Diversified Energy	3,975	—	603	11,300	12,000
Escambia Meter Station	250	—	583	1,000	1,000
Total Acquisitions	4,225	—	1,186	12,300	13,000
Regulatory Initiatives:					
Florida GRIP	4,851	4,065	16,995	18,797	19,475
Capital Cost Surcharge Programs	517	136	1,199	2,018	1,936
Elkton Gas STRIDE Plan	74	—	26	241	354
Total Regulatory Initiatives	5,442	4,201	18,220	21,056	21,765
Total	\$ 15,225	\$ 8,376	\$ 36,472	\$ 57,219	\$ 64,390

Incremental
Adjusted Gross Margin
from Major Projects

2021: \$15.6 million

2022: \$20.7 million

2023: \$7.2 million

**Total: \$43.5 million
over 2020**

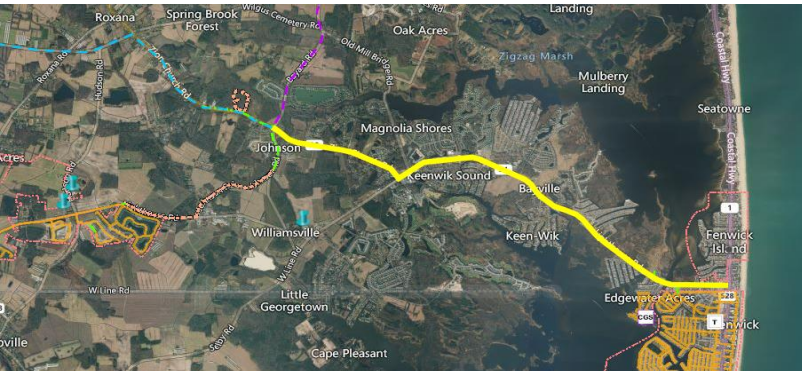
Key Expansion Projects

Pipeline Growth Contribution

Project	Capital Investment	Fully In Service	Annual Adjusted Gross Margin Estimate
Del-Mar Energy Pathway*	\$60.1 million	2021 Fourth Quarter	\$7.0 million
West Palm Beach County*	\$28.9 million	2021 Fourth Quarter	\$5.2 million
Guernsey Power Station	\$6.5 million	2021 Fourth Quarter	\$1.5 million
Winter Haven Expansion	\$3.5 million	2022 Third Quarter	\$1.0 million
Southern Expansion	\$14.0 million	2022 Fourth Quarter	\$2.3 million
North Ocean City Connector	\$6.3 million	2022 Fourth Quarter	\$0.4 million
Beachside Pipeline Extension	\$16.7 million	2023 First Quarter	\$2.5 million

Total investments of \$136.0 million generate incremental adjusted gross margin of \$19.9 million once fully in service in 2024

North Ocean City Connector



- Chesapeake Utilities plans to construct an approximate six-mile pipeline that will connect the Company's Ocean City, MD system to its existing infrastructure in Sussex County, DE.
- Second connection into Ocean City, supporting capacity of the Sandpiper Energy natural gas system, which we previously converted from propane following its acquisition in 2013.
- Capital investment of \$6.3 million with project expected to begin construction in Q2 2022.
- Expecting \$0.4 million in annual adjusted gross margin for 2023, with opportunity for increased margin in 2024 and beyond.

Regulatory Initiatives

Florida Natural Gas Base Rate Proceeding

- Florida natural gas distribution businesses jointly filed notification with Florida PSC on March 24, 2022, stating intent to file a consolidated natural gas base rate proceeding as soon as practicable following notification period, but not before May 24, 2022.
- Filing included an estimated increase in the revenue requirement of \$18 million to \$21 million.

Florida GRIP

- Natural gas pipe replacement program approved by the Florida PSC.
- Since inception in August 2012, invested \$189.5 million of capital expenditures to replace 348 miles of qualifying distribution mains, including \$23.6 million of new pipes throughout 2021.
- Annual adjusted gross margin of \$18.8 million in 2022 and \$19.5 million expected in 2023.

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.

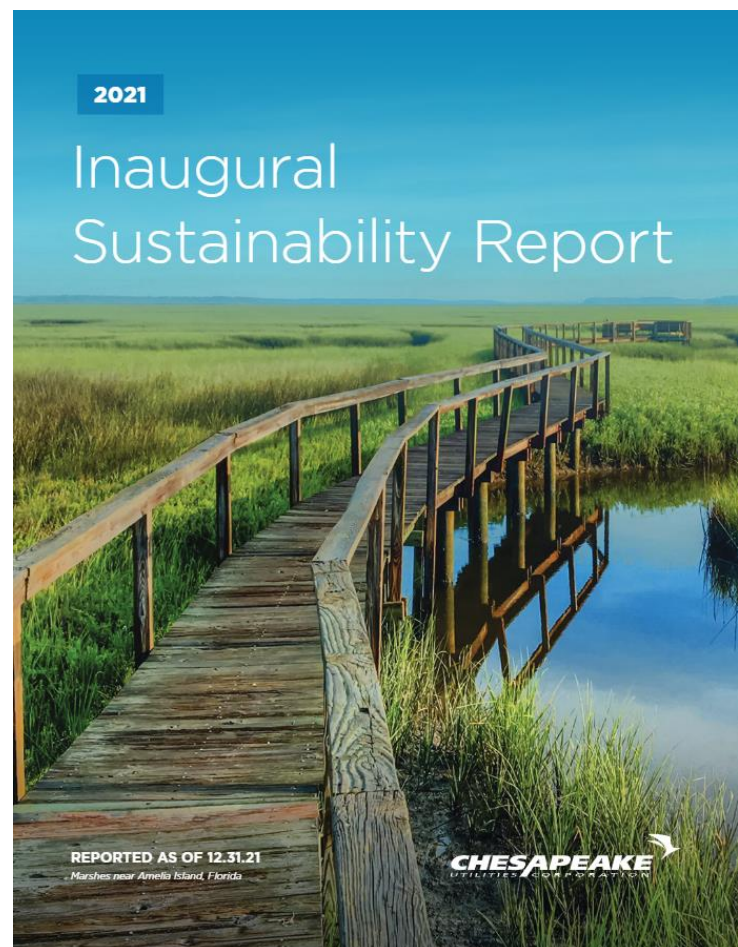
Eastern Shore Capital Cost Surcharge Programs

- Eastern Shore recovery mechanism for capital costs associated with mandated highway or railroad relocation projects 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.

ESG Initiatives

Committed to Strong Corporate Citizenship

- Published inaugural sustainability report
- Established Environmental Sustainability Office and internal ESG Committee to advance our ESG strategy
- Greenhouse gas emissions reduced by 3,760 mtCO₂e from 2019 to 2020, with independent verification of data
- Robust employee and community engagement programs, including those focused on equity, diversity and inclusion
- Evaluating SEC proposal and expanded disclosures within our next sustainability report



Corporate Culture

Internal Employee Resource Groups



CHESAPEAKE UTILITIES
**WISDOM
SEEKERS
& SHARERS**



CHESAPEAKE UTILITIES
**BLACK
EMPLOYEE
NETWORK**



CHESAPEAKE UTILITIES
**EQUITY
DIVERSITY
& INCLUSION**



CHESAPEAKE UTILITIES
SPARC

SUPPORT • PROMOTE • ATTRACT • RETAIN • CONNECT



CHESAPEAKE UTILITIES
Diverse Abilities
Awareness • Empathy • Inclusion • Advocacy



CHESAPEAKE UTILITIES
**VETERANS
RESOURCE
GROUP**



CHESAPEAKE UTILITIES
EPIC
EQUAL PARTS OF
INCLUSIVE CULTURES

Recent Awards and Recognitions



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



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



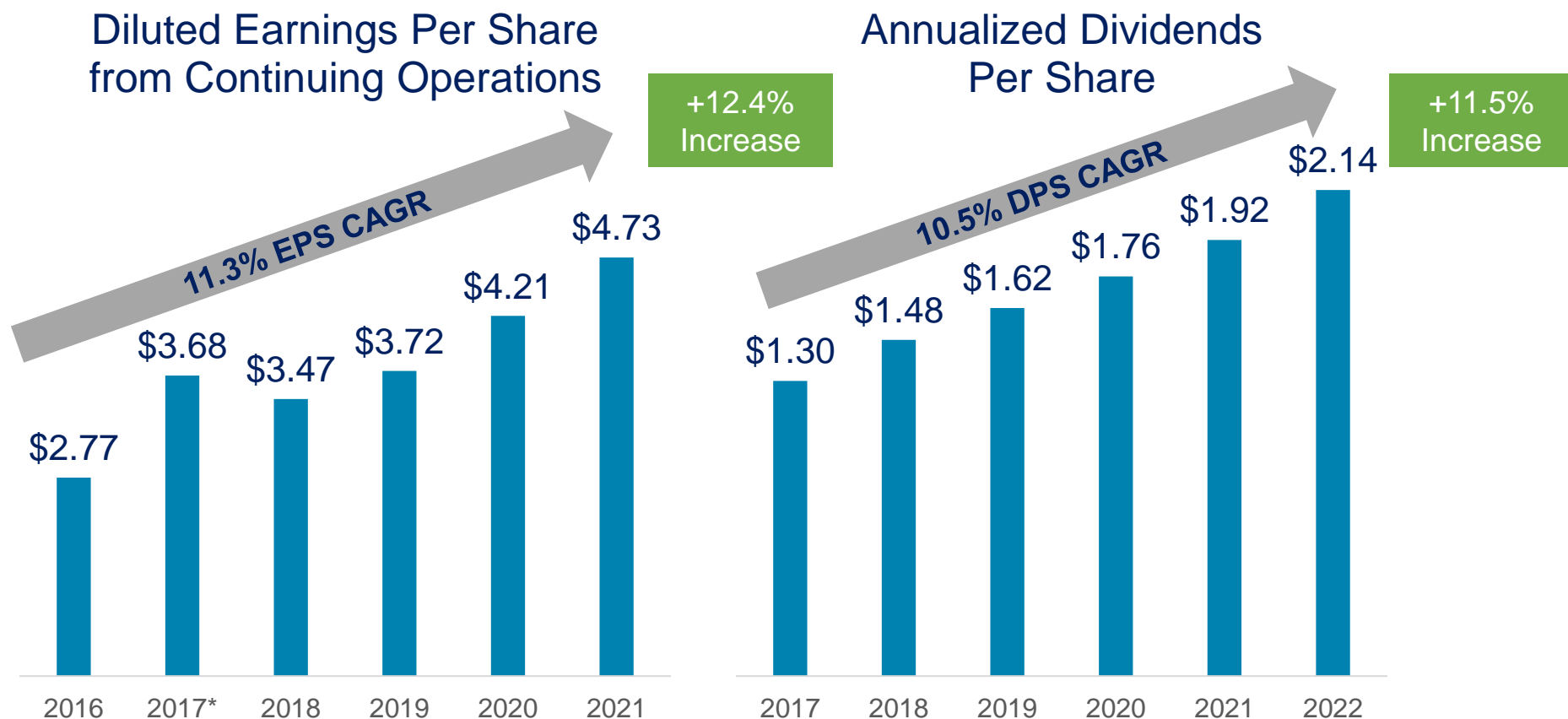
CPK Named 2021
Best Corporate Governance in the North
American Utilities Sector



Four CPK Businesses Received AGA
Safety Related Awards in 2021

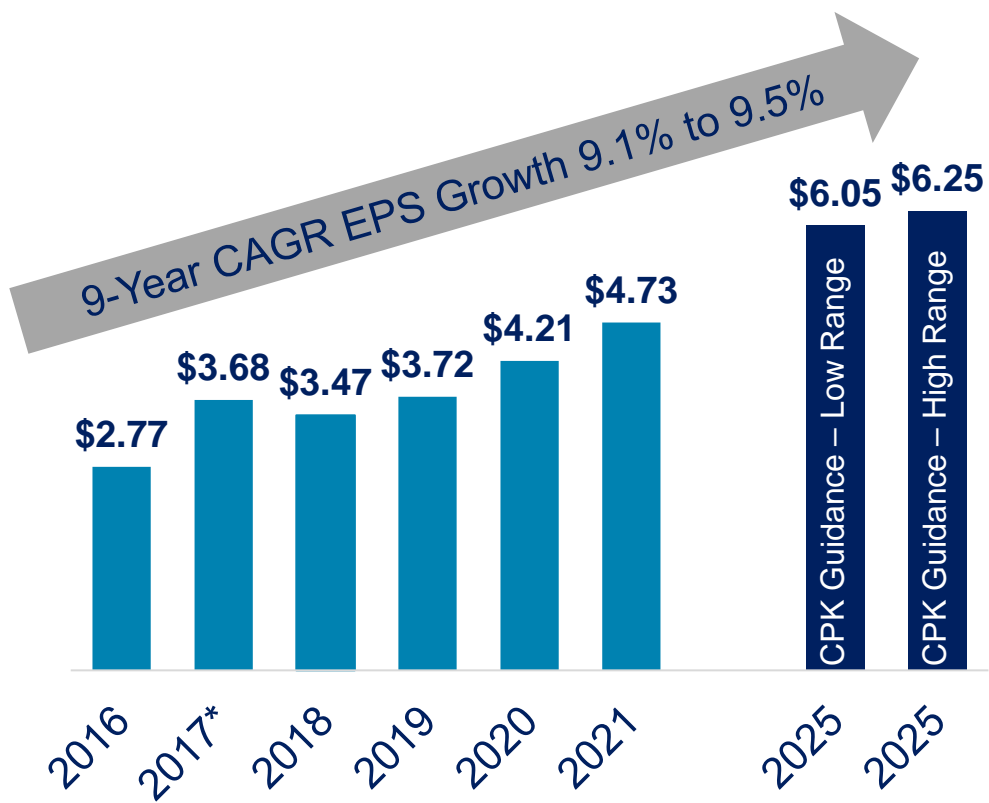
Earnings Growth Supporting Our Dividend Growth

Chesapeake's Board Approved an 11.5% Increase to the Annualized Dividend Per Share

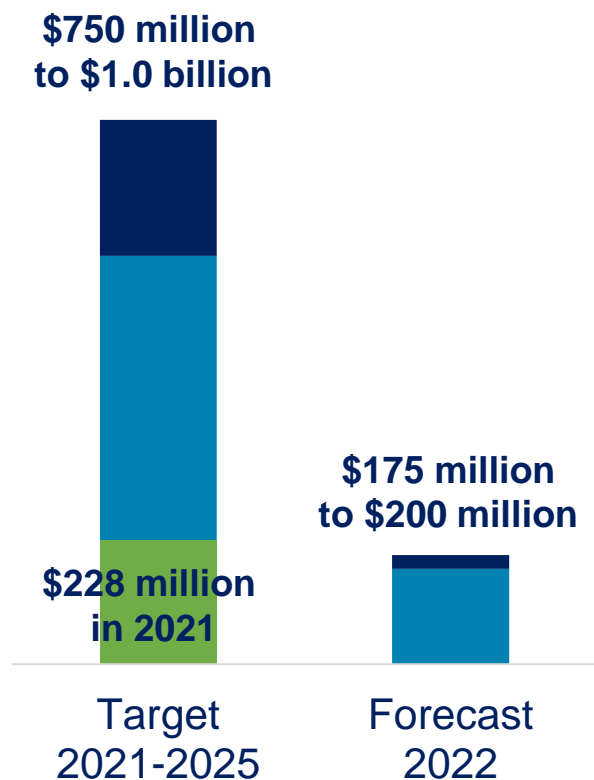


Guidance Update

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 April 30, 2022

1 Year	3 Year	5 Year	10 Year	20 Year
7%	14%	14%	19%	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 expense¹

Gross Margin (GAAP)

Operations & maintenance expense¹

Depreciation & amortization

Adjusted Gross Margin (non-GAAP)

First Quarter	
2022	2021
\$ 222,880	\$ 191,187
(97,180)	(74,297)
(16,977)	(15,365)
(15,640)	(14,354)
93,083	87,171
15,640	14,354
16,977	15,365
\$ 125,700	\$ 116,890

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, 2021 for additional details.

GAAP to Non-GAAP Reconciliation

Regulated Energy Segment Results

Regulated Energy Segment Results

(in thousands except per share data)

Operating Revenues

Cost of Sales:

Natural gas and electric costs

Depreciation & amortization

Operations & maintenance expense¹

Gross Margin (GAAP)

Operations & maintenance expense¹

Depreciation & amortization

Adjusted Gross Margin (non-GAAP)

First Quarter	
2022	2021
\$ 127,891	\$ 121,197
(45,442)	(43,043)
(13,086)	(12,030)
(8,176)	(8,335)
61,187	57,789
8,176	8,335
13,086	12,030
\$ 82,449	\$ 78,154

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, 2021 for additional details.

GAAP to Non-GAAP Reconciliation

Unregulated Energy Segment Results

Unregulated Energy Segment Results

(in thousands except per share data)

Operating Revenues

Cost of Sales:

Natural gas and propane costs

Depreciation & amortization

Operations & maintenance expense¹

Gross Margin (GAAP)

Operations & maintenance expense¹

Depreciation & amortization

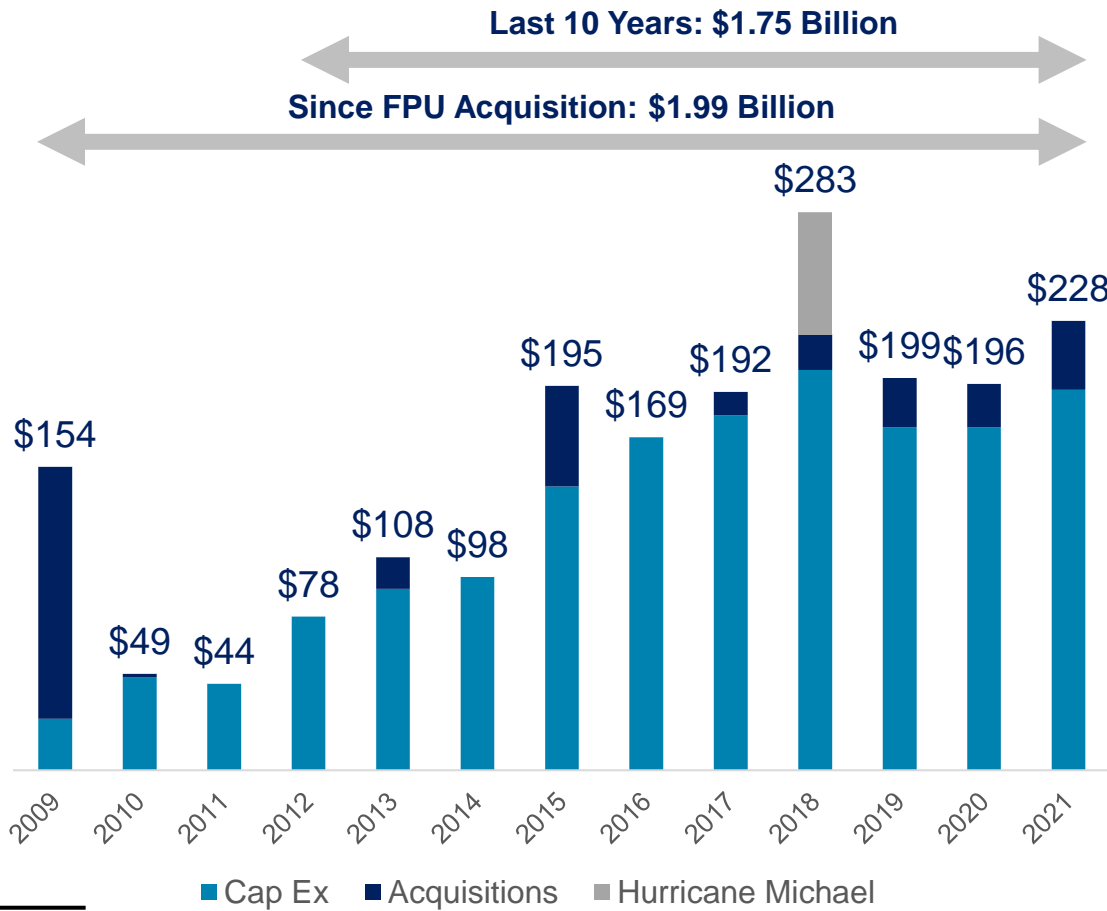
Adjusted Gross Margin (non-GAAP)

First Quarter	
2022	2021
\$ 101,292	\$ 74,759
(58,008)	(35,983)
(3,881)	(3,323)
(7,063)	(6,371)
32,340	29,082
7,063	6,371
3,881	3,323
\$ 43,284	\$ 38,776

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, 2021 for additional details.

Capital Investment Has Driven Our Earnings Growth

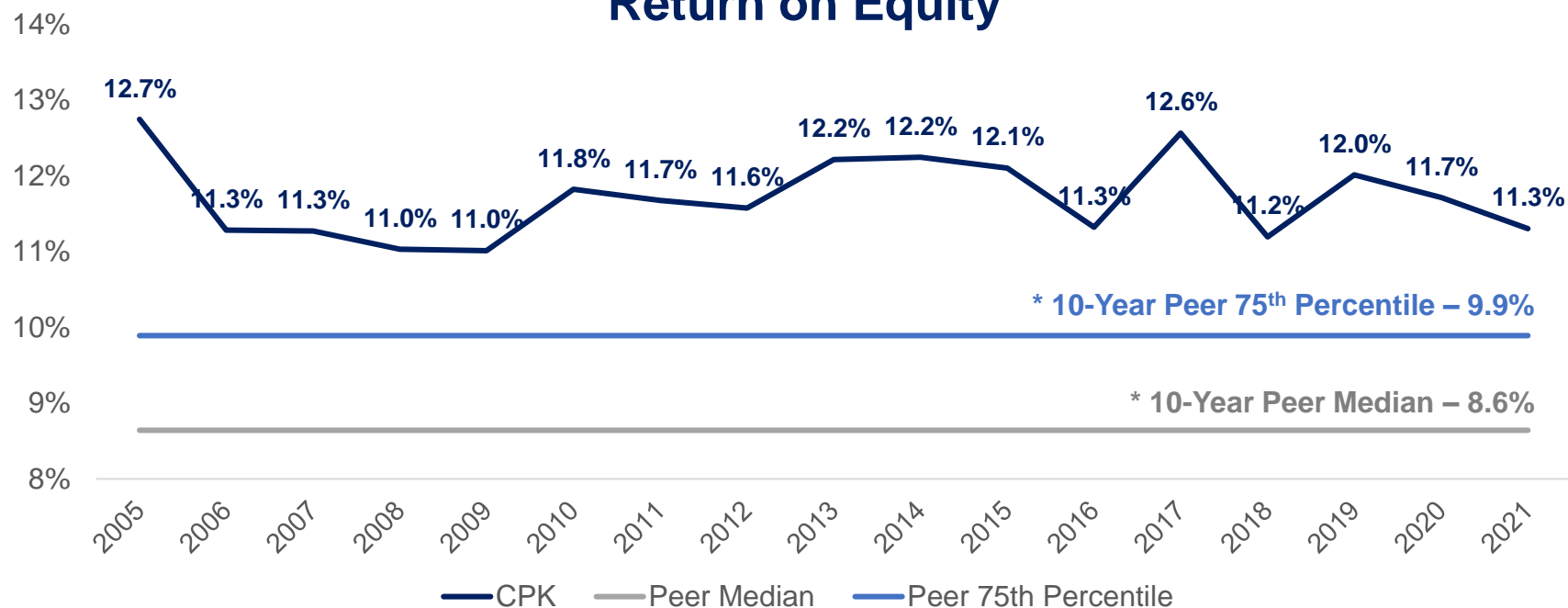
Historical Capital Expenditures and Acquisitions



Solid Track Record of Return on Equity

Consistently exceeding peer median and 75th 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.