

**CHESAPEAKE
UTILITIES
CORPORATION**

Investor Presentation

Sidoti Spring Small Cap Virtual Conference

March 22, 2023

Today's Presenters



Beth Cooper

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



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, 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. 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.

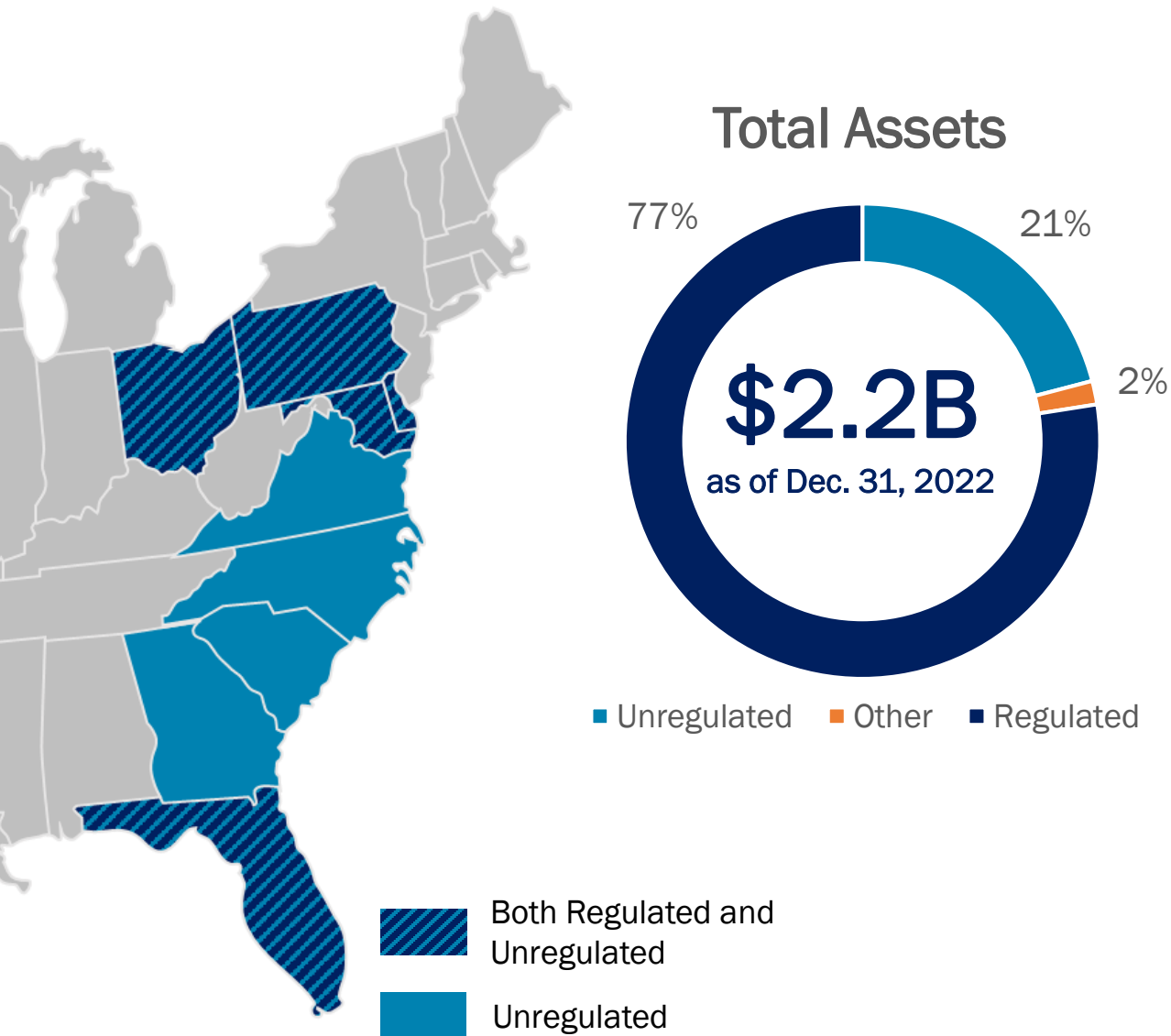
The Company calculates Adjusted Gross Margin by deducting the purchased cost of natural gas, propane and electricity and the cost of labor spent on direct revenue-producing activities from operating revenues. The costs included in Adjusted Gross Margin exclude depreciation and amortization and certain 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



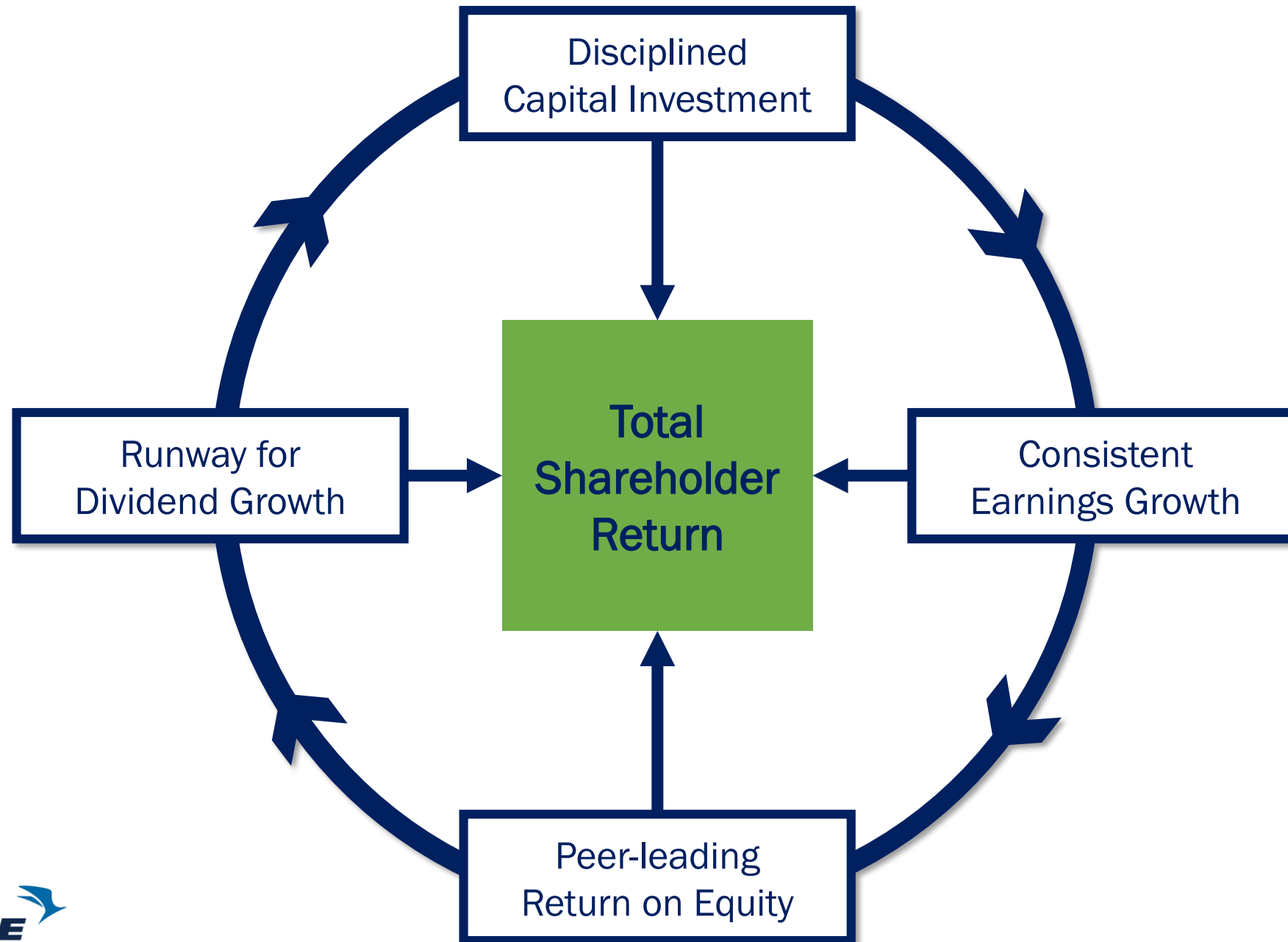
- **160+** – Years providing energy
- **1,034** – Employees at Dec. 31, 2022
- **~310,000** – Distribution customers
- **\$2.2 billion** – Total Assets at December 31, 2022
- **16th** – Consecutive year of earnings growth
- **7.6%** - Growth in Net Income over 2021
- **2x** – Doubled Net Income over last 6 years
- **18th** - Consecutive year with a Return on Equity above 11%
- **62** – Consecutive years paying quarterly dividends
- **19th** - Consecutive year increasing annualized dividend per share

Diversified Portfolio of Energy Delivery Solutions



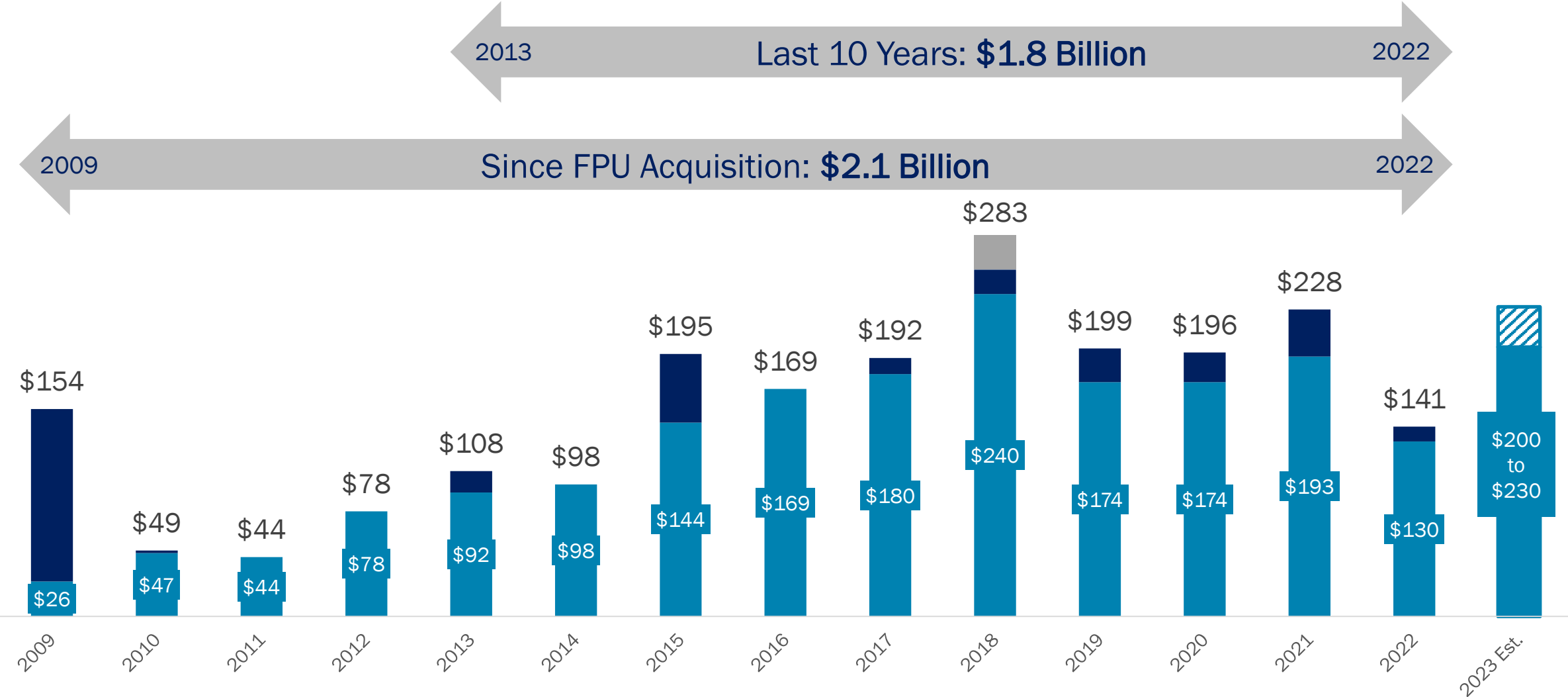
Business Line	States Served
Regulated Energy Segment	
Natural Gas Transmission	DE, FL, MD, PA, OH
Natural Gas Distribution	DE, MD, FL
Electric Distribution	FL
Unregulated Energy Segment	
Propane Distribution	PA, DE, MD, VA, NC, SC, FL
Natural Gas Pipeline System	OH
CNG Services	Multiple – Including New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

Chesapeake Utilities' Model for Financial Success



Capital Investment Has Driven Our Earnings Growth

Long track record of prudent capital investments



Historical Earnings and Dividend Performance

Long history of industry leading earnings and dividend growth

Diluted Earnings Per Share from
Continuing Operations

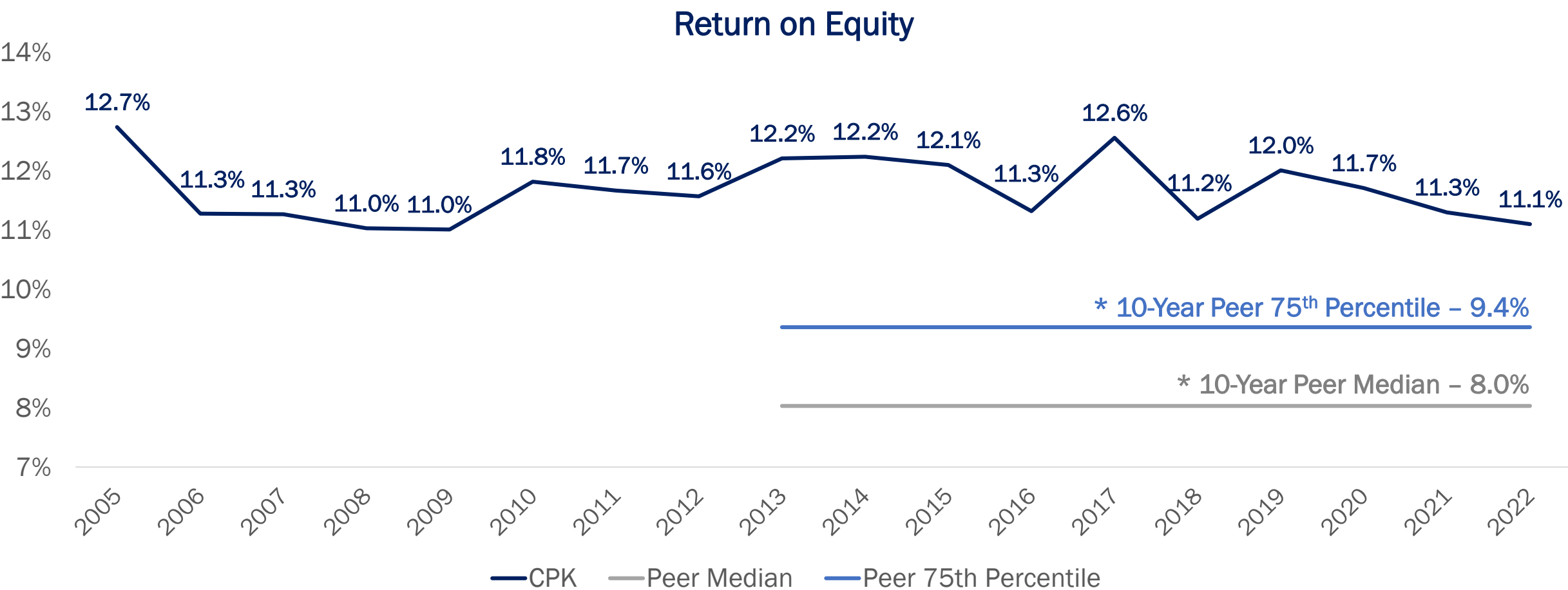


Annualized Dividends
Per Share



Solid Track Record of Return on Equity

Consistently exceeding peer median and 75th percentile



18 years with 11%+ Return on Equity

Financial Metrics Performance

Performance Metrics	CPK Results				Chesapeake Percentiles Compared to Performance Peer Group			
	1yr	3yr	5yr	10yr	1yr	3yr	5yr	10yr
CapEx / Total Capitalization	9.0%	12.9%	15.9%	18.6%	17%	80%	99%	100%
EPS Growth (CAGR)	6.6%	8.5%	7.3%	9.8%	52%	66%	89%	100%
Return on Equity	11.1%	11.4%	11.5%	11.7%	90%	100%	99%	96%
DPS Growth (CAGR)	11.5%	9.7%	10.5%	8.2%	84%	100%	100%	100%
Earnings Retention Ratio	57.6%	58.5%	58.4%	58.4%	90%	89%	100%	100%
Shareholder Return (CAGR)	-17.6%	9.1%	10.4%	16.9%	0%	100%	100%	100%

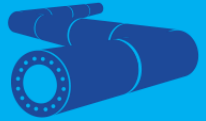
Industry leading financial performance is driving increased value

Growth Platform Focus



Organic Growth:

- 5.7% / 4.2% residential customer growth in Delmarva / Florida for 2022
- Achieved 100,000 customer mark on Delmarva in 2022
- Opportunity for continued strong customer growth
- Continued propane CGS conversions to natural gas



Gas Transmission:

- FERC approval for Southern Expansion
- Wildlight expansion in Yulee, Florida
- Clean Energy expansion for CNG fueling station in Davenport, Florida
- Other pipeline expansions continue to advance
- New projects being evaluated and pursued in Delmarva, Florida and Ohio



Propane Distribution:

- Completed two acquisitions in 2022, expanding service in North Carolina and Florida service territories
- Integrating Sharp's programs and practices within acquisitions



Marlin Gas Services:

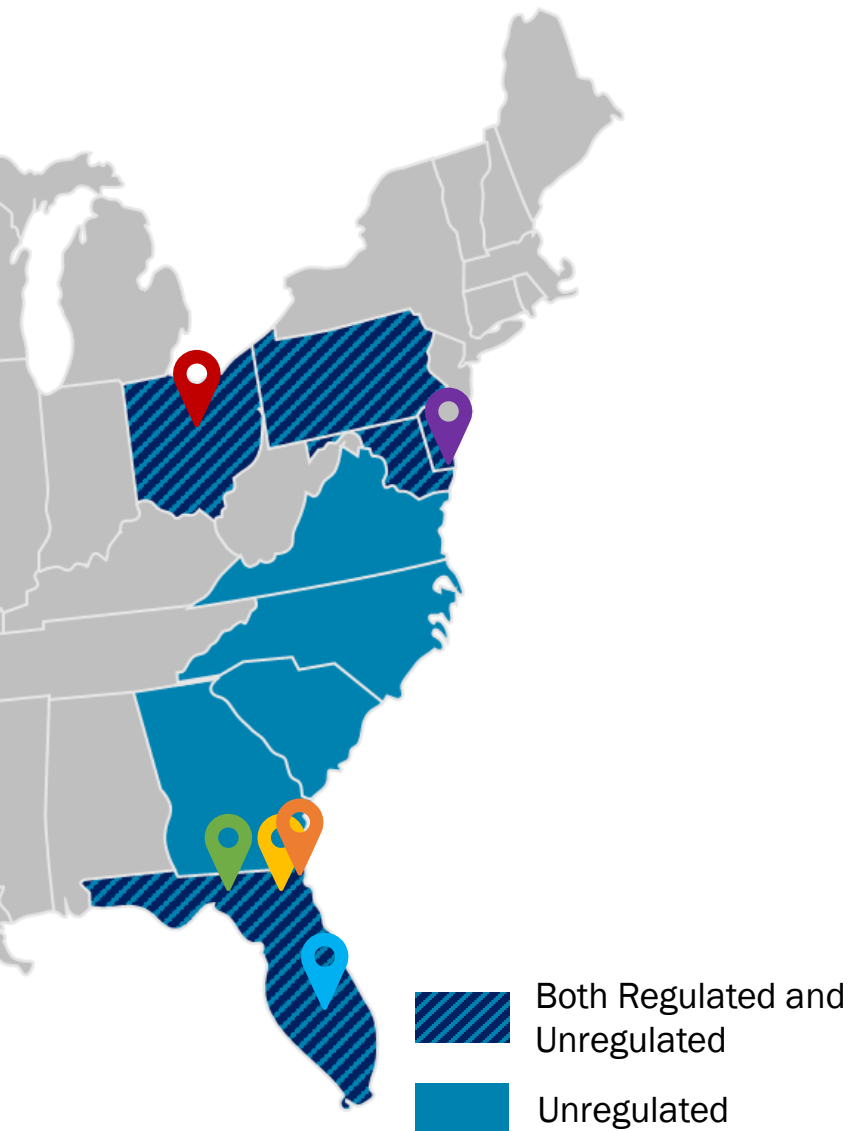
- \$2.8M of increased demand for CNG services in 2022
- Providing interim service for Clean Energy's CNG fueling station in Florida
- Transported hydrogen in 2022 and recently initiated RNG transportation



Sustainable Investments:

- Planet Found acquisition provides a poultry technology platform
- Announced plan to construct and operate a RNG facility at Full Circle Dairy
- Established RNG injection point in Yulee, Florida
- Hydrogen testing at Eight Flags planned for 2023

Expanding Our Service Territory With Sustainable Investments



Noble Road Landfill RNG Pipeline

- 33-mile pipeline transporting RNG to Aspire Energy of Ohio's gathering system



Planet Found Biogas Facility

- First poultry waste-to-energy project on the Delmarva Peninsula, currently generating electricity and capable of producing RNG



Clean Energy Expansion – Under Construction

- 2.2-mile pipeline transporting natural gas to support Clean Energy Fuels' CNG fueling station



Radio Road RNG Injection Point

- Recently injected RNG and can accept CNG and LNG
- Our first gate system in Florida to allow alternative fuels to be injected into pipeline delivery system



Full Circle Dairy RNG Processing Facility – Under Construction

- First full-scale RNG processing facility utilizing dairy cow waste as feedstock
- Processing and delivering more than 100K Dts per year of RNG



Hydrogen Testing at Eight Flags CHP

- Successful test of 4% hydrogen blend in early 2022
- New turbine installed in December 2022, which can accommodate greater quantities of hydrogen
- Testing with 10% and 20% blends scheduled for 2023

Major Projects and Initiatives

Key Projects Driving Adjusted Gross Margin



Project/Initiative

in thousands

Pipeline Expansions:

Western Palm Beach County, Florida Expansion				
Del-Mar Energy Pathway				
Guernsey Power Station				
Southern Expansion				
Winter Haven Expansion				
Beachside Pipeline Extension				
North Ocean City Connector				
St. Cloud / Twin Lakes Expansion				
Clean Energy				
Wildlight				
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				
Electric Storm Protection Plan				
Total Regulatory Initiatives				

Total

Year-Over-Year Change

Adjusted Gross Margin

Year Ended December 31,		Estimate for Fiscal	
2021	2022	2023	2024
\$ 4,729	\$ 5,227	\$ 5,227	\$ 5,227
4,584	6,909	6,980	6,903
187	1,377	1,486	1,482
—	—	586	2,344
—	260	576	626
—	—	1,825	2,451
—	—	—	200
—	—	414	584
—	126	1,009	1,009
—	—	528	2,000
9,500	13,899	18,631	22,826
7,566	11,100	11,892	12,348
603	10,762	12,000	12,250
583	999	1,000	1,000
1,186	11,761	13,000	13,250
16,995	19,885	19,885	19,885
1,199	2,001	2,811	2,831
26	264	354	357
—	2,474	15,362	17,153
—	486	1,137	2,113
18,220	25,110	39,549	42,339
\$ 36,472	\$ 61,870	\$ 83,072	\$ 90,763
		\$ 21,202	\$ 7,691

Key Expansion Projects

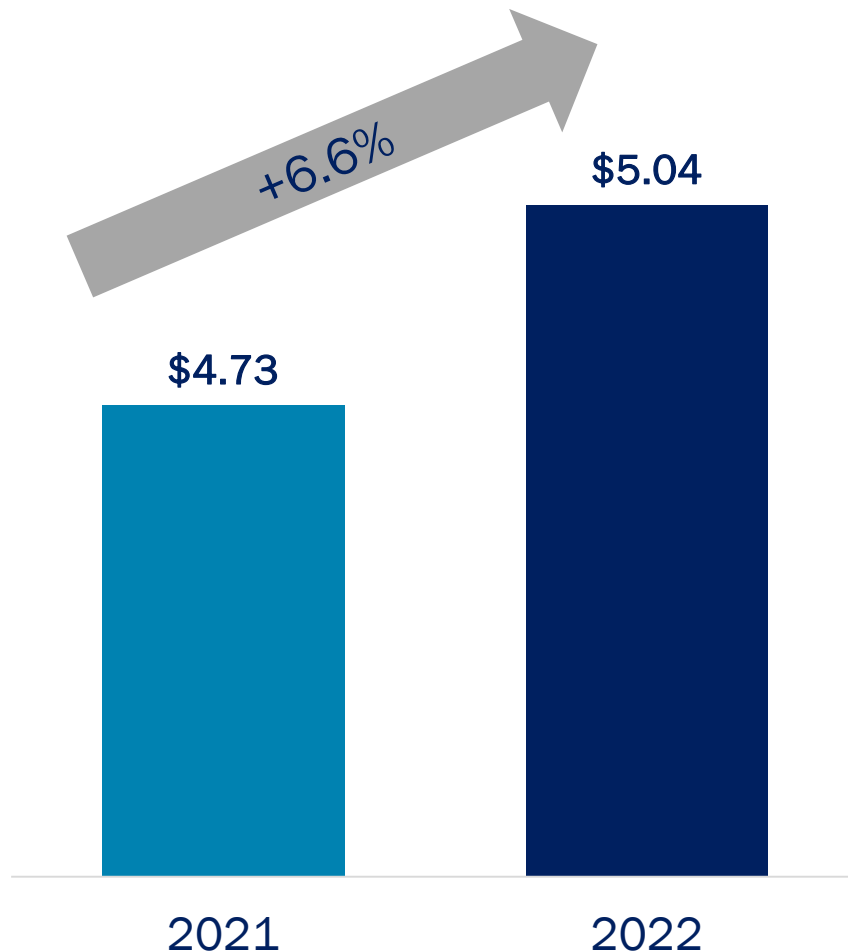
Significant activity in 2023

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	Q1 2023	\$0.4 million
St. Cloud / Twin Lakes Expansion	\$3.5 million	Q2 2023	\$0.6 million
Beachside Pipeline Extension	\$10.5 million	Q2 2023	\$2.5 million
Clean Energy Expansion	\$4.2 million	Q3 2023	\$1.0 million
Southern Expansion	\$14.0 million	Q4 2023	\$2.3 million
Wildlight Expansion	\$13.4 million	2025	\$2.0 million

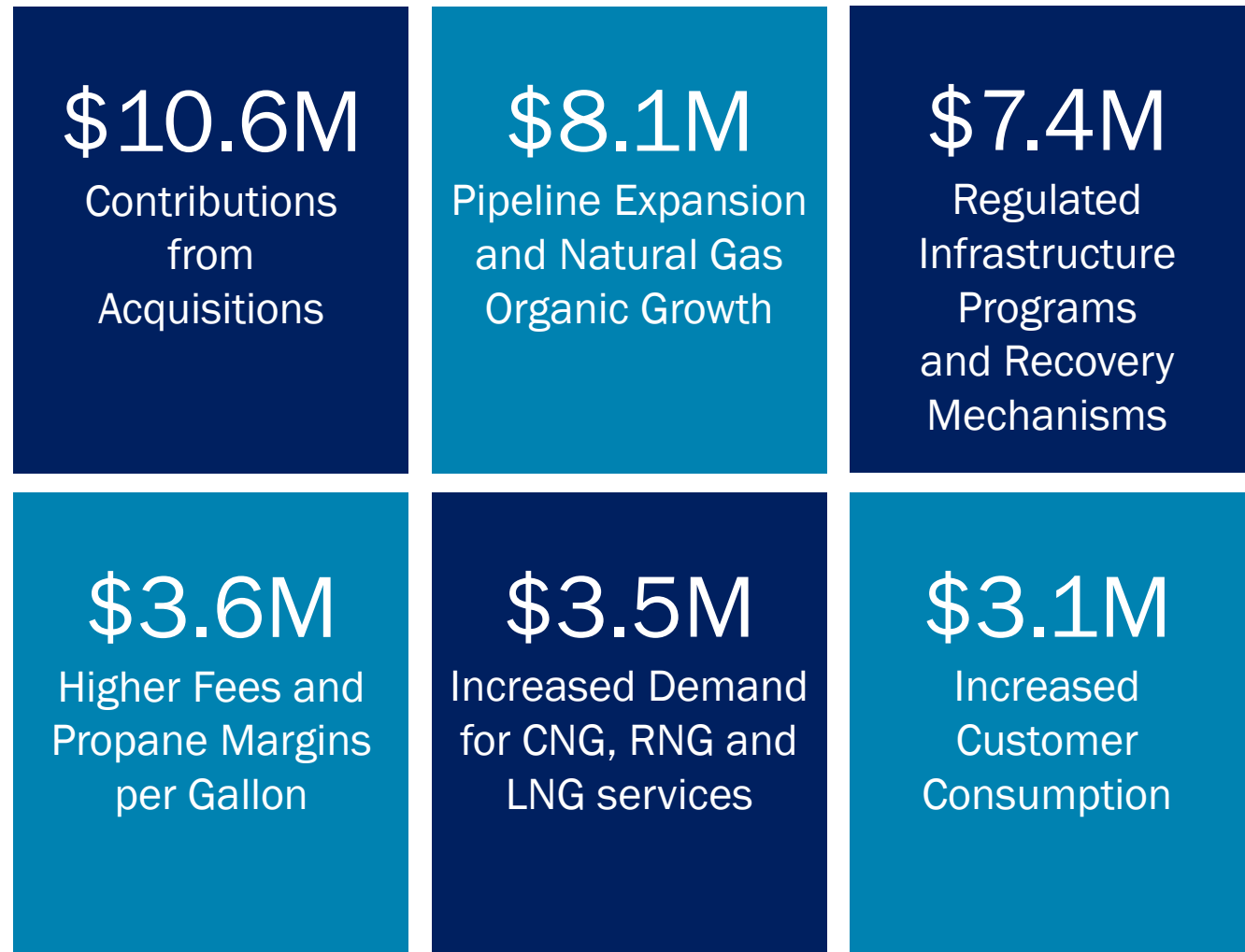
Total investments of \$150.9 million generate incremental adjusted gross margin of \$23.1 million once fully in service in 2025

2022 Financial Performance

Diluted Earnings Per Share



2022 Key Adjusted Gross Margin Drivers

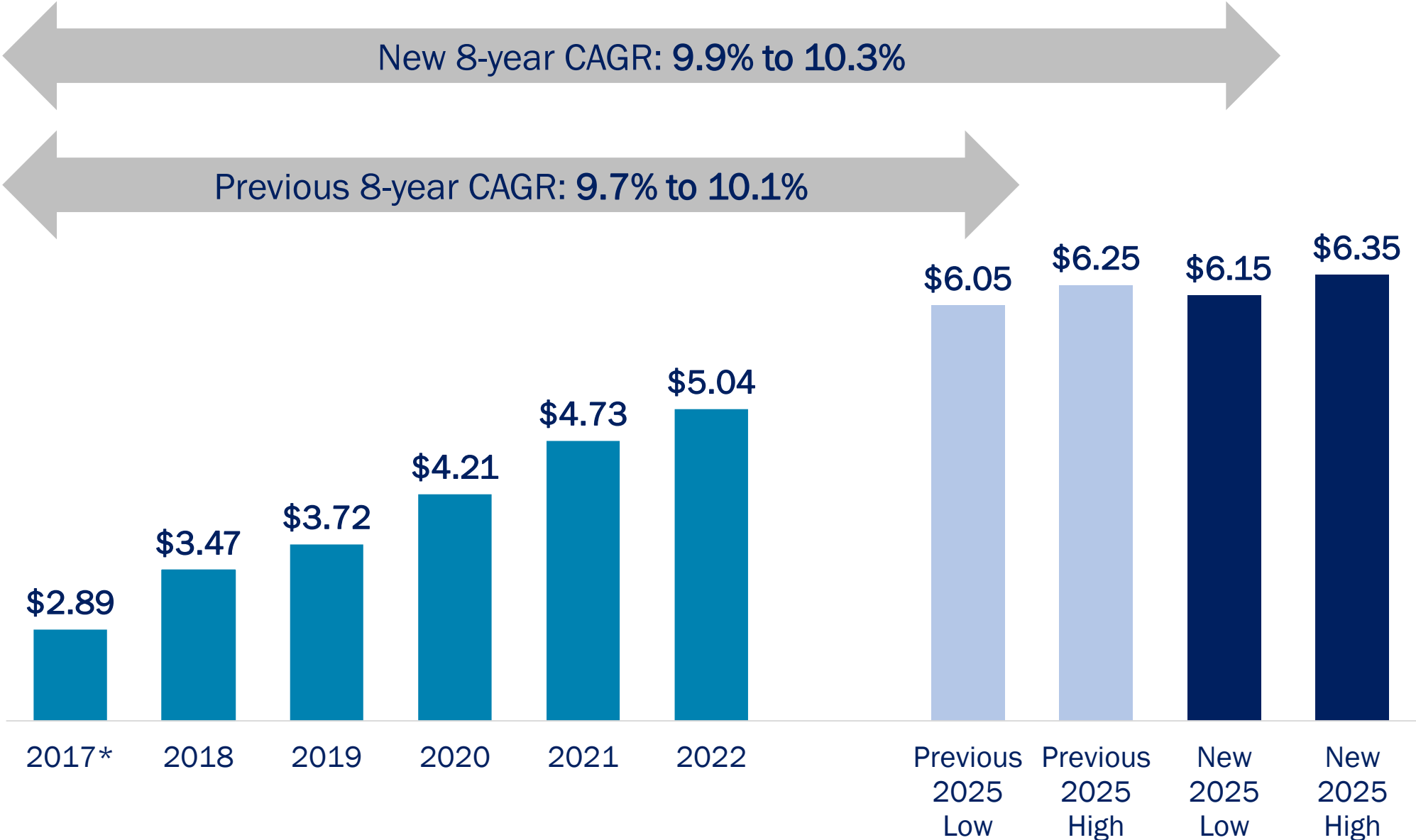


Capital Expenditure Guidance Update

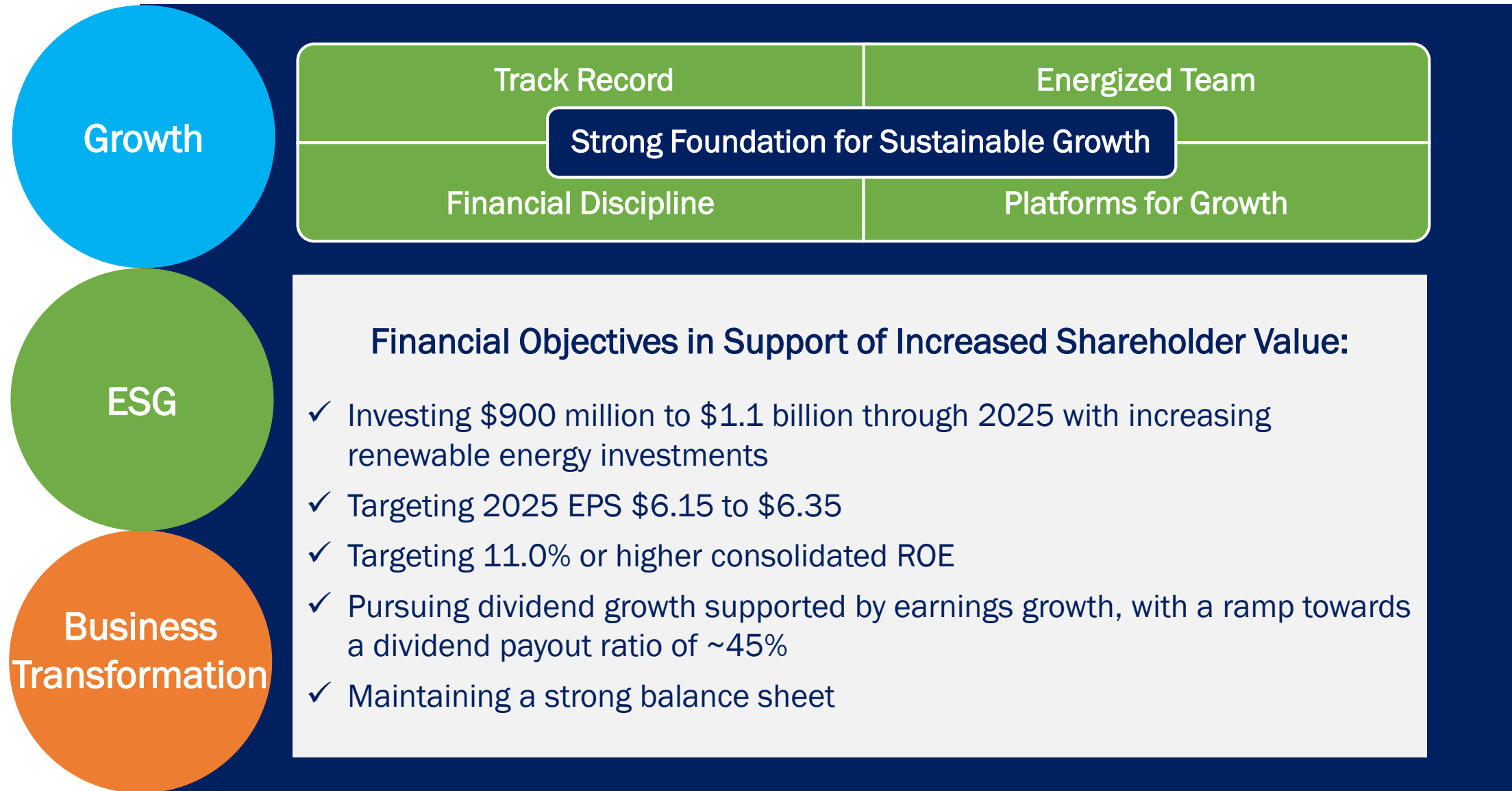


Strategic capital investments continue to drive earnings growth

Diluted Earnings Per Share Guidance Update



Investment Proposition – Committed to Superior Performance



**CHESAPEAKE
UTILITIES
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Thank You.

Questions?