

# Second Quarter 2024

## Earnings Call Presentation



August 9, 2024



# Safe Harbor for Forward-Looking Statements

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## Safe Harbor Statement

Some of the statements in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other applicable law. Such forward-looking statements may be identified by the use of words, such as “project,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “continue,” “potential,” “forecast” or other similar words, or future or conditional verbs such as “may,” “will,” “should,” “would” or “could.” These statements represent our intentions, plans, expectations, assumptions and beliefs about our future financial performance, business strategy, projected plans and objectives. These statements are subject to many risks and uncertainties and actual results may materially differ from those expressed in these forward-looking statements. Please refer to Chesapeake Utilities Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC and other SEC filings concerning factors that could cause those results to be different than contemplated in this presentation.

## 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.

# Safety Moment: Hurricane & General Emergency Preparedness



- Completed its annual **Hurricane Season Preparedness Drill** in July
- Lessons learned were already put to the test this past week with **Hurricane Debby**
- While there were significant impacts to communities in Florida and beyond, we are grateful that outages have been limited
- **Our teams have responded efficiently** to ensure safe and reliable service for our customers
- FPU continues to show **improved electric reliability metrics**, including reducing the frequency and duration of outages by ~10%



FEMA

## Personal Emergency Preparedness

- Being prepared means having your own food, water and other supplies to last for at least 72 hours
- A disaster supplies kit is a collection of basic items your household may need in the event of an emergency
- Visit [Ready.gov](https://www.ready.gov) for a checklist of supplies, including a printable version from FEMA

# Today's Presenters

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**Jeff Householder**

Chair of the Board,  
President &  
Chief Executive Officer



**Beth Cooper**

Executive Vice President,  
Chief Financial Officer, Treasurer  
& Asst. Corporate Secretary



**Jim Moriarty**

Executive Vice President,  
General Counsel,  
Corporate Secretary &  
Chief Policy and Risk Officer

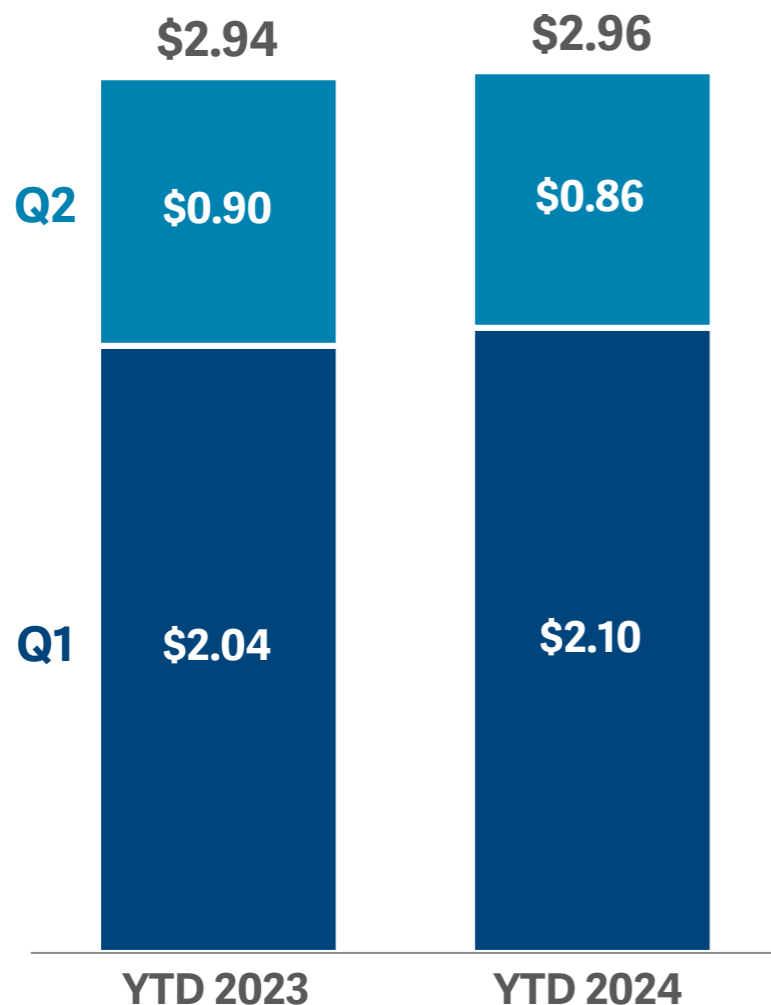


**Lucia Dempsey**

Head of  
Investor Relations

# Continued Strong Financial Performance in 2024

## Adjusted Diluted EPS<sup>1</sup>



## Key Financial Highlights

### Q2 2024 Results

- Adjusted Gross Margin: \$126.6M, up 27% from Q2 2023
- Adjusted Net Income: \$19.3M, up 19% from Q2 2023

### Earnings Guidance Reaffirmed

- FY 2024 Adjusted EPS of **\$5.33 - \$5.45** per share
- FY 2025 Adjusted EPS of **\$6.15 - \$6.35** per share
- FY 2028 Adjusted EPS of **\$7.75 - \$8.00** per share

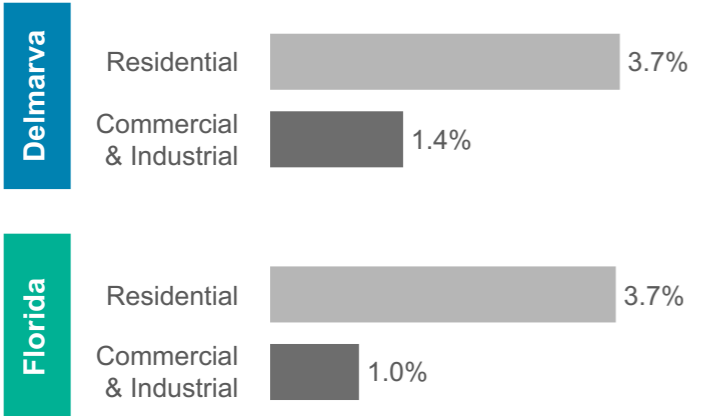
### CapEx Guidance Reaffirmed

- YTD 2024 Capital Expenditures of **\$160M**
- 2024 Capital Expenditure Guidance: **\$300M - \$360M**
- 2024 - 2028 5-Year CapEx Guidance: **\$1.5B - \$1.8B**

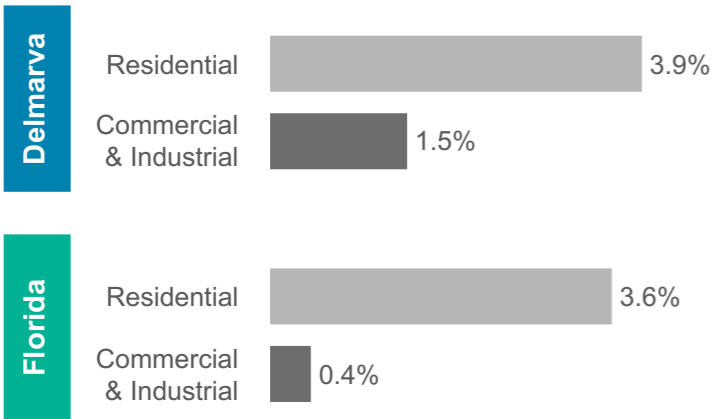
# High-Growth Service Areas Drive Investment Opportunities

## Strong Customer Growth

### Q2 2024 vs Q2 2023

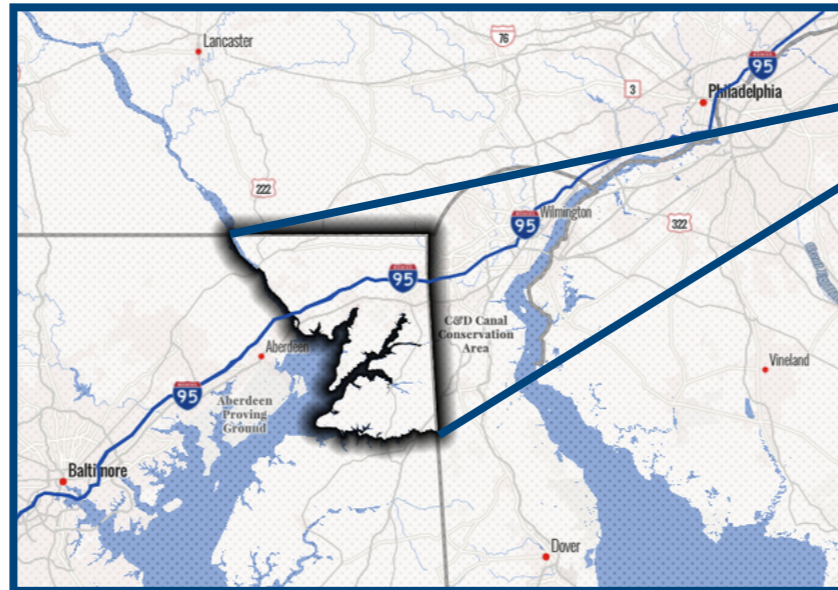


### YTD 2024 vs YTD 2023



## Cecil County Case Study

- CPK began gas transmission expansion in 2018 to serve initial commercial growth
- To date, at least 28 miles of transmission infrastructure have been installed
- This increased capacity attracted a number of industrial and commercial businesses to the area, driving significant economic growth for Cecil County



*"Chesapeake Utilities' infrastructure investments have expanded availability of natural gas along U.S. Route 40, benefiting a wide range of current and future customers in this designated growth corridor, and we look forward to a continued partnership with Chesapeake Utilities for years to come."*

— Cecil County Economic Development Commission

## Natural Gas Capacity Growth Attracts New Businesses to Cecil County:



# Executing On Our Long-Term Growth Plan



Growth in earnings to support dividend growth and increased shareholder value



Prudently  
deploy  
investment  
capital



Proactively  
manage  
regulatory  
agenda



Continually  
execute on  
business  
transformation

Foundation of operational excellence across the organization

# 5-Year Capex Guidance is On-Track and Achievable

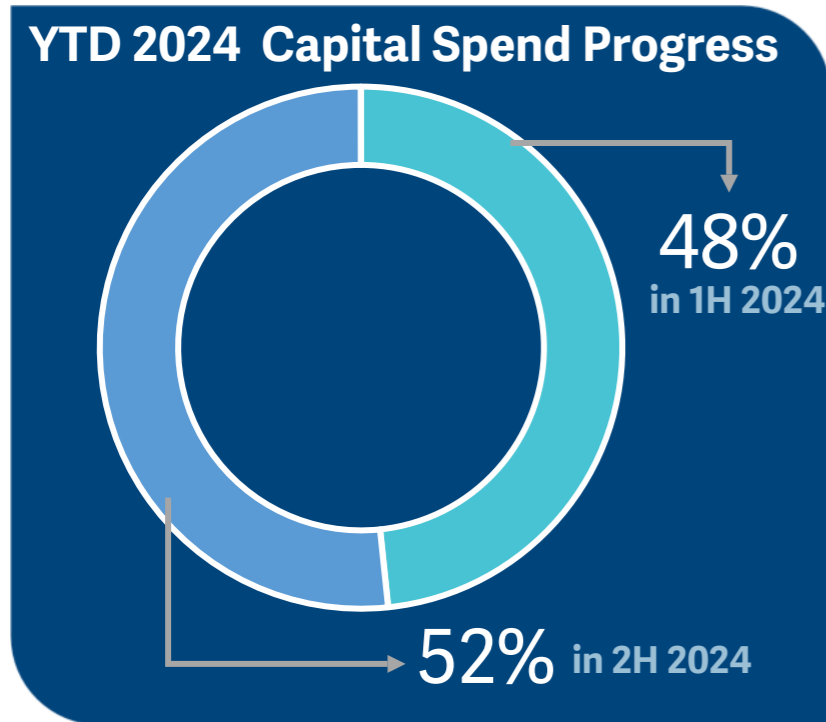
~\$1.3 billion of identified capital projects support our 5-year CapEx guidance of \$1.5 - \$1.8 billion

Segment	5-Year Guidance	<p>We have already made significant progress identifying capital projects, many of which are also already underway</p>	Identified Regulated CapEx	5-Year Spend
Regulated Distribution	\$600 - \$645M		Natural Gas LDC Organic Growth	\$625M
Regulated Transmission	\$435 - \$590M		Newberry, Wildlight Phase 2	\$28M
Regulated Infrastructure	\$300 - \$340M		Boynton Beach, New Smyrna	\$36M
Unregulated Businesses	\$140 - \$165M		Lake Mattie, St. Cloud, Plant City	\$42M
Technology	\$70 - \$90M		Other Approved Pipeline Projects	\$49M
		Worcester Resiliency	\$80M	
		GUARD / SAFE Programs <sup>1</sup>	\$230M	
		Eastern Shore Capital Surcharge	\$75M	
		Florida Electric Storm Protection Plan	\$50M	
		Technology Transformation	\$80M	
<b>Total</b>	<b>\$1.5 - \$1.8B</b>	<b>Total Identified &amp; Ongoing Capital</b>	<b>~\$1.3B</b>	

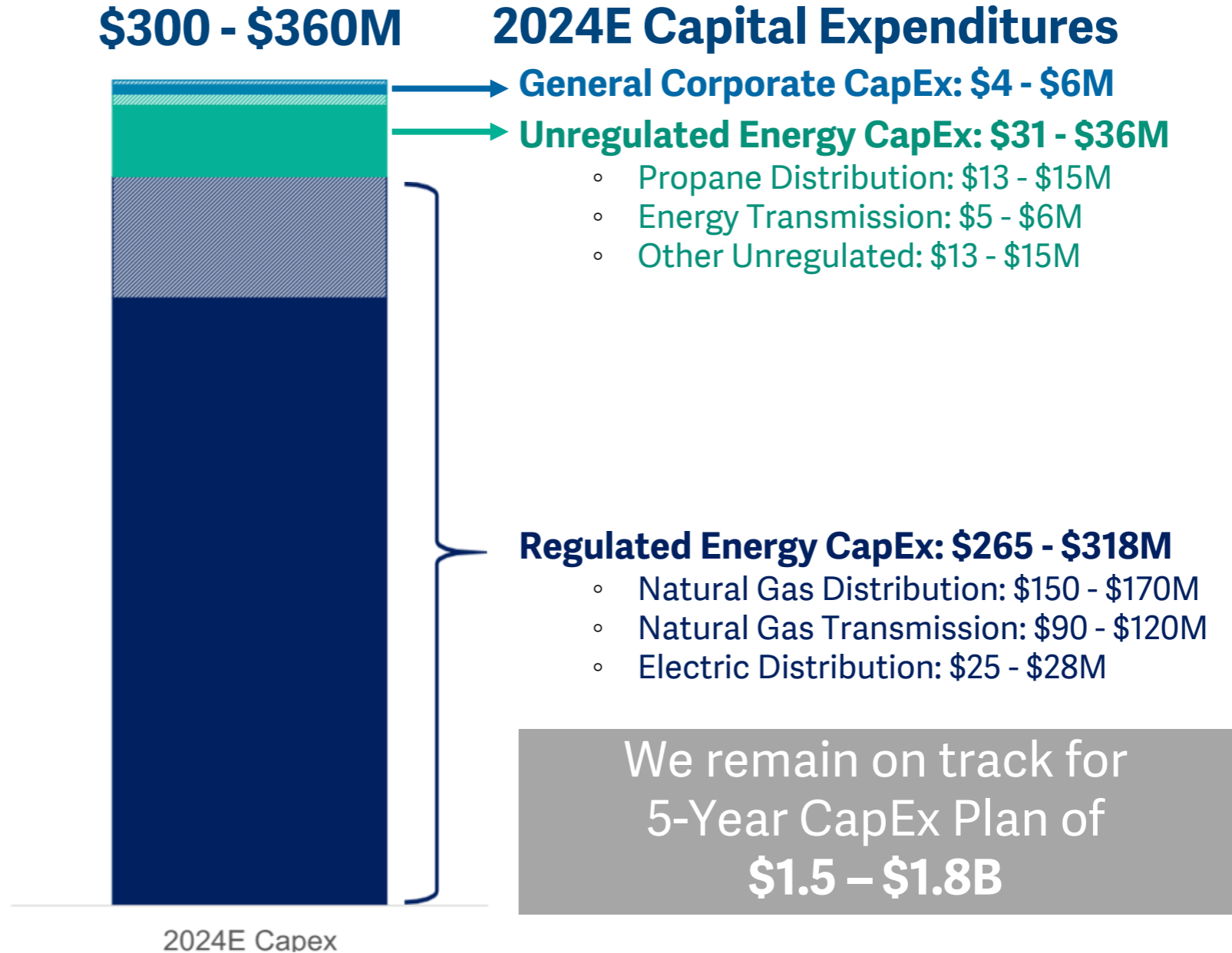
<sup>1</sup> Includes \$50 million requested in April 2024 but not yet approved.



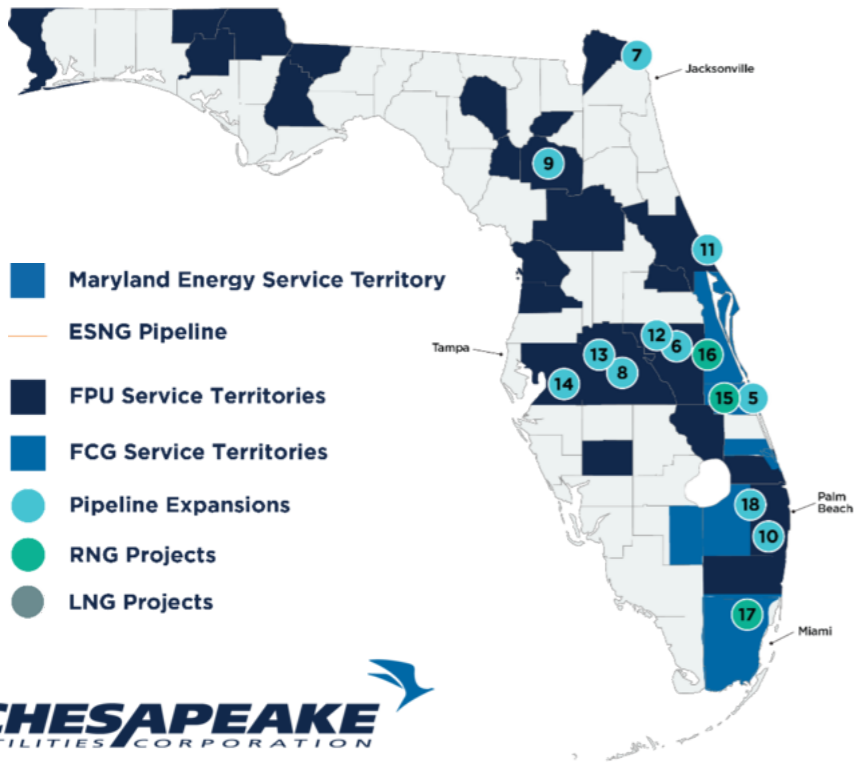
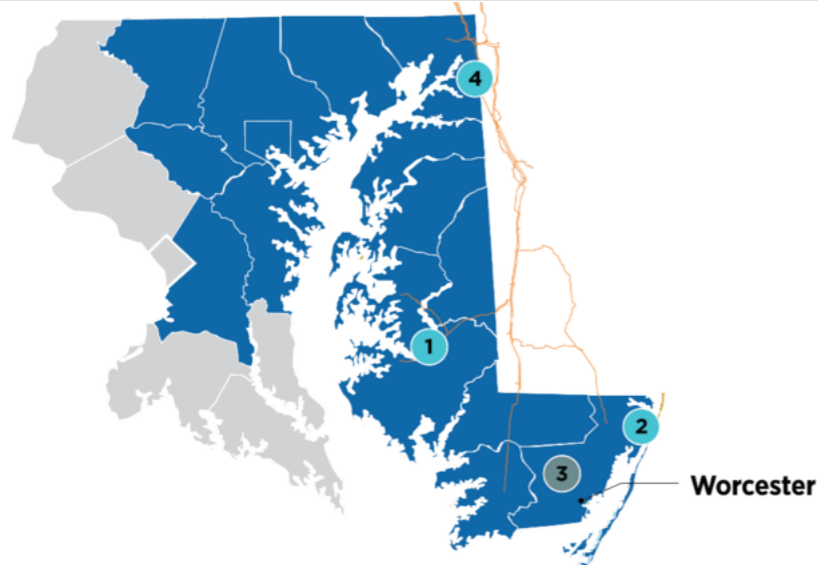
# 2024 Capital Investment On Track to Drive Margin Growth



**Year-to-date capital expenditures on track, with \$160M in spending on strategic growth opportunities and technology transformation**



# Organic Growth Driving Delmarva + Florida Investments



#	Project Name	Status	In-Service	Total CapEx	Adj. Gross Margin (\$M)	
					2024E	2025E
1	Southern Expansion	In-Service	Q4 2023	~\$14M	\$2.3	\$2.3
2	North Ocean City Connector	In-Service	Q2 2023 <sup>1</sup>	~\$6M	—	\$0.5
3	Worcester Resiliency Upgrade (WRU)	Pending Approval	Q3 2025	~\$80M	—	—
4	Warwick Extension	In-Progress	Q4 2024	~\$9M	\$0.3	\$1.9
5	Beachside Expansion	In-Service	Q2 2023	~\$11M	\$2.5	\$2.4
6	St. Cloud / Twin Lakes	In-Service	Q3 2023	~\$4M	\$0.6	\$0.6
7	Wildlight Phase 1 & 2	In-Progress	2023-2025	~\$25M	\$1.4	\$2.0
8	Lake Wales	In-Service	Q2 2023	~\$2M	\$0.5	\$0.5
9	Newberry Expansion	In-Progress	Q2 2024	~\$15M	\$1.4	\$2.6
10	Boynton Beach	In-Progress	Q1 2025	~\$21M	—	\$3.3
11	New Smyrna Beach	In-Progress	Q2 2025	~\$15M	—	\$1.7
12	St. Cloud Expansion	In-Progress	Q2 2025	~\$20M	—	\$2.2
13	Lake Mattie	In-Progress	Q4 2025 <sup>2</sup>	~\$18M	—	—
14	Plant City	In-Progress	Q4 2024	~\$4M	\$0.5	\$1.2
15	Indian River RNG <sup>3</sup>	In-Progress		~\$18M		
16	Brevard RNG <sup>3</sup>	In-Progress	2025	~\$6M	—	\$5.5
17	Medley RNG <sup>3</sup>	In-Progress		~\$22M		
18	Pioneer Supply Header	In-Service	Q3 2024	—	—	—
				<b>Totals: \$290M</b>	<b>\$9.4</b>	<b>\$26.7</b>

<sup>1</sup> Regulatory recovery through the Maryland General Rate Case so no margin impact in 2024. <sup>2</sup> Expected in-service in late December 2025 so no 2025 margin expected. <sup>3</sup> Approval received in July 2024 from the Florida PSC for these RNG transportation projects, which facilitate additional capacity from landfills through FCG's system.

# Making Strides with Business Transformation

We are continually evaluating and improving our people, processes, systems and structures in order to ensure long-term success and growth in an ever-changing environment.



## Achieving Operational Synergies

Consolidating processes and resources and incorporating operations into existing systems



## Optimizing Operations

"Best of Both" approach to identify and implement efficiencies and operations throughout Florida



## Accelerating Investment Opportunities

Moving forward on regulatory approvals and construction to support FCG service area growth

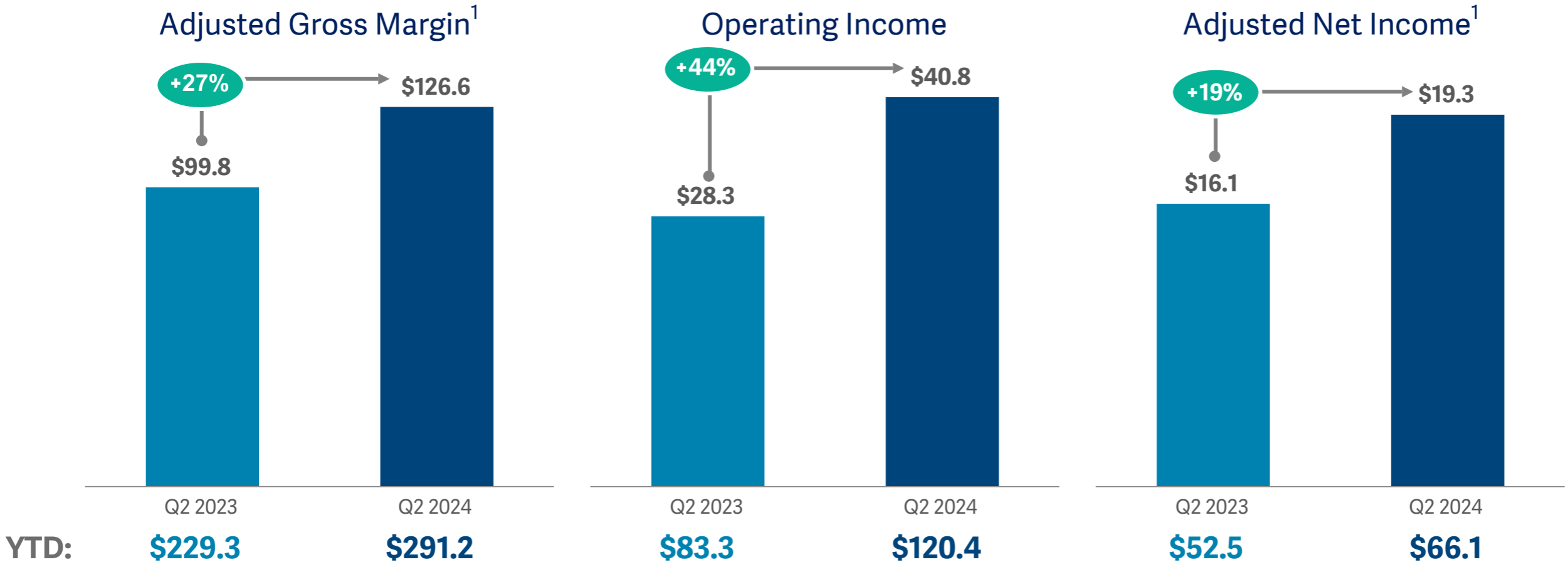
In August 2024, CPK is implementing an **SAP customer information system** to enhance our service platforms, streamline processes and improve efficiency across 4 key workstreams:

- Billing & Invoicing
- Customer Service
- Device and Work Management
- Finance and Contracting (FICA)

*SAP will be implemented for FCG in Spring 2025*

# Increasing Adj. Gross Margin Driving Bottom-Line Growth

Gross margin growth drove higher operating income and bottom-line net income, averaging 30%+ growth.

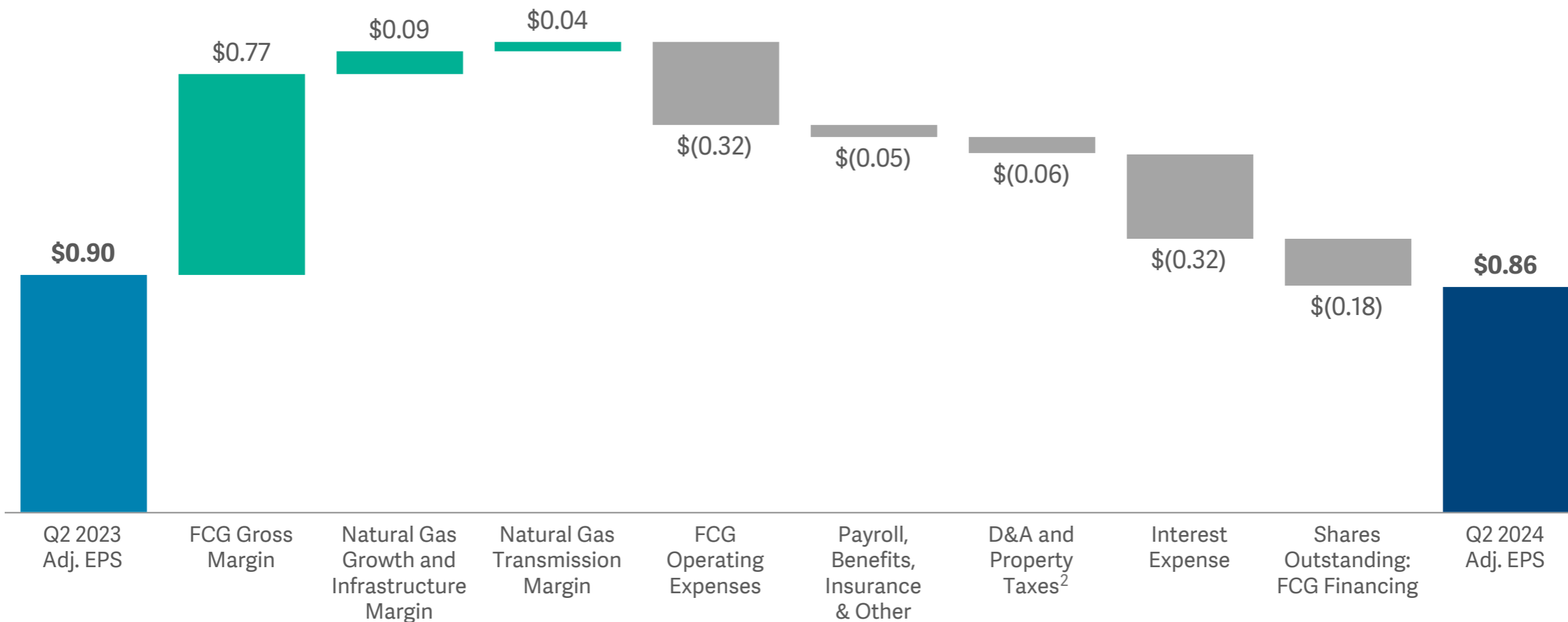


Excluding transaction & transition-related expenses<sup>2</sup>, Q2 2024 operating income increased \$13.8M, or 49%

# Key Drivers of Performance – Three Months Ended June 30, 2024

Adjusted EPS for the second quarter benefited from our core business performance and recent acquisition of Florida City Gas; offset primarily by financing costs related to the FCG acquisition.

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



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

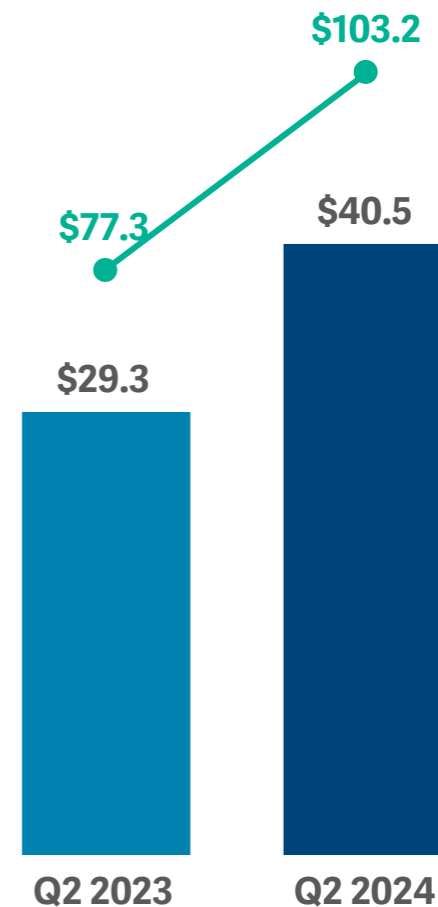
<sup>2</sup> Includes a benefit from RSAM of \$2.3 million, pre-tax, or \$0.08 per share.

# Regulated Energy Segment Generates Operating Income Growth

Adj. Gross Margin<sup>1</sup> up 34% & Operating income up 38%, driven by:

- \$23.4M from FCG operations & growth
- \$1.8M from natural gas growth, conversions and service expansions
- \$1.3M from transmission expansions and regulated infrastructure programs

Partially offset by primarily \$8.6M of FCG operating expenses



	Q2 2023	Q2 2024
<b>Adjusted Gross Margin<sup>1</sup></b>	<b>\$ 77.3</b>	<b>\$ 103.2</b>
D&A + Property Taxes	18.9	22.9
Transaction + Transition Expense <sup>2</sup>	—	1.4
Other Operating Expenses	29.1	38.5
<b>Operating Income (Loss)</b>	<b>\$ 29.3</b>	<b>\$ 40.5</b>

Note: Dollars in millions. Table may not foot due to rounding.

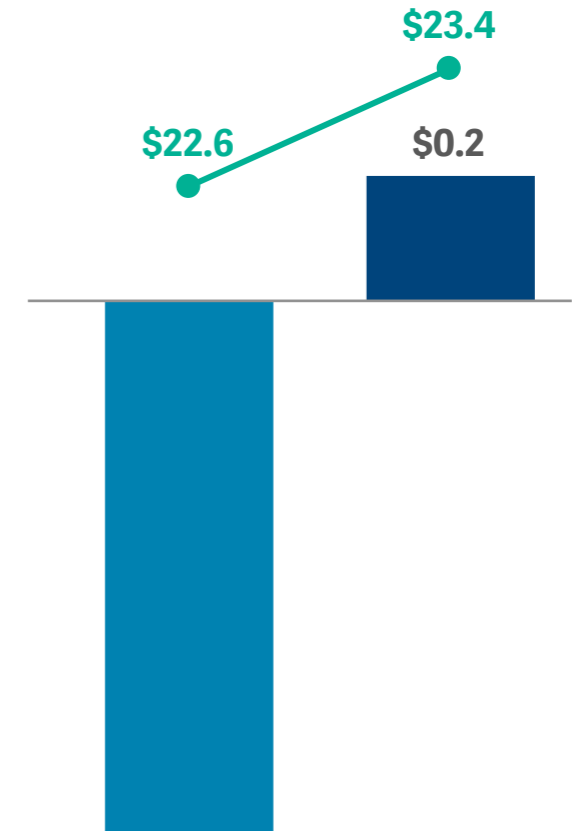
<sup>1</sup> See appendix for a reconciliation of non-GAAP metrics. <sup>2</sup> Transaction and transition-related expenses represent costs incurred attributable to the acquisition and integration of FCG including, but not limited to, transaction costs, transition services, consulting, system integration, rebranding and legal fees.

# Improvement in Unregulated Energy Segment Relative to Q2 2023

Adjusted Gross Margin<sup>1</sup> up 3%, driven by:

- **\$0.6M** from higher Marlin virtual pipeline services
- **\$0.3M** from increased margins for Aspire Energy in Ohio
- **\$0.3M** from propane operations

Partially offset by **\$0.5M** of increased insurance and vehicle expenses

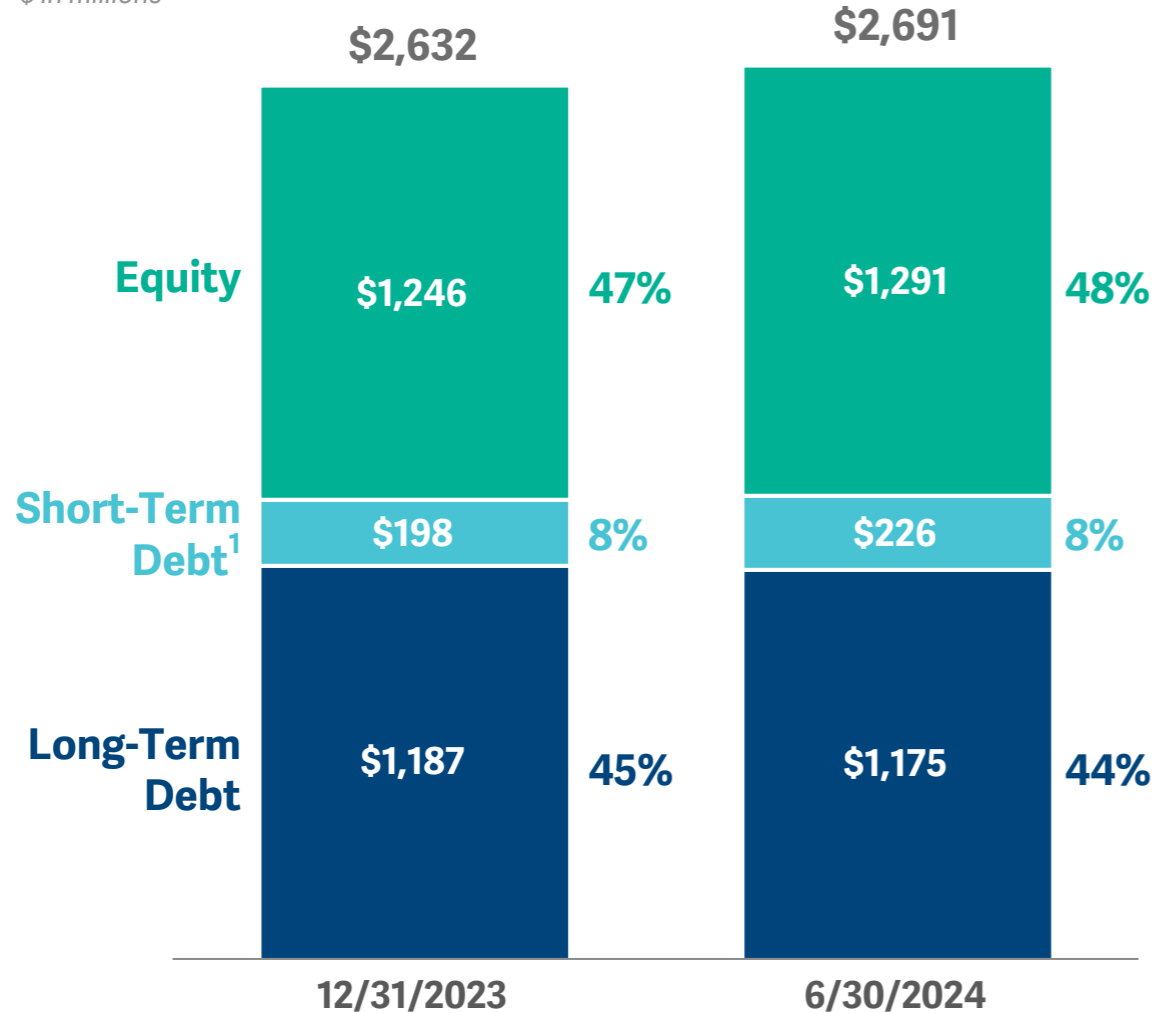


	Q2 2023	Q2 2024
<b>Adjusted Gross Margin<sup>1</sup></b>	<b>\$ 22.6</b>	<b>\$ 23.4</b>
D&A + Property Taxes	4.8	3.8
Other Operating Expenses	18.9	19.3
<b>Operating Income (Loss)</b>	<b>\$ (1.0)</b>	<b>\$ 0.2</b>

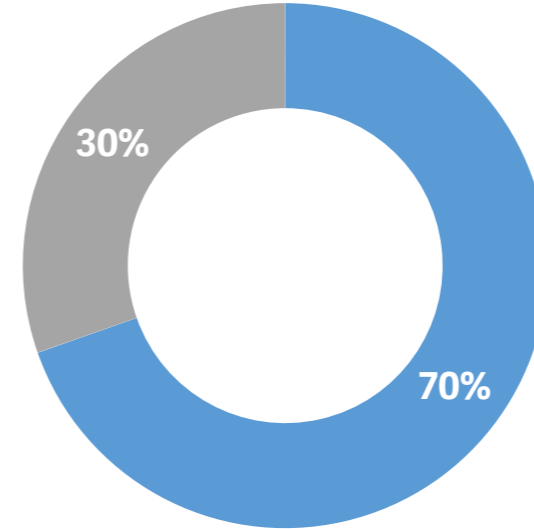
# Strong Balance Sheet Supports Growth Plan

## Total Capitalization

\$ in millions



## Total Liquidity<sup>2</sup>



Total available liquidity of **\$491M**

out of Total Capacity of \$705M

## Recent Financing Activity

- Upsized, amended and extended our Revolving Credit Facility ("Revolver") by \$75M to \$450M
- Entered into an interest rate swap on \$50 million for five years at 3.97%

<sup>1</sup> Short-term debt for both periods includes short-term borrowing as well as the current portion of long-term debt.

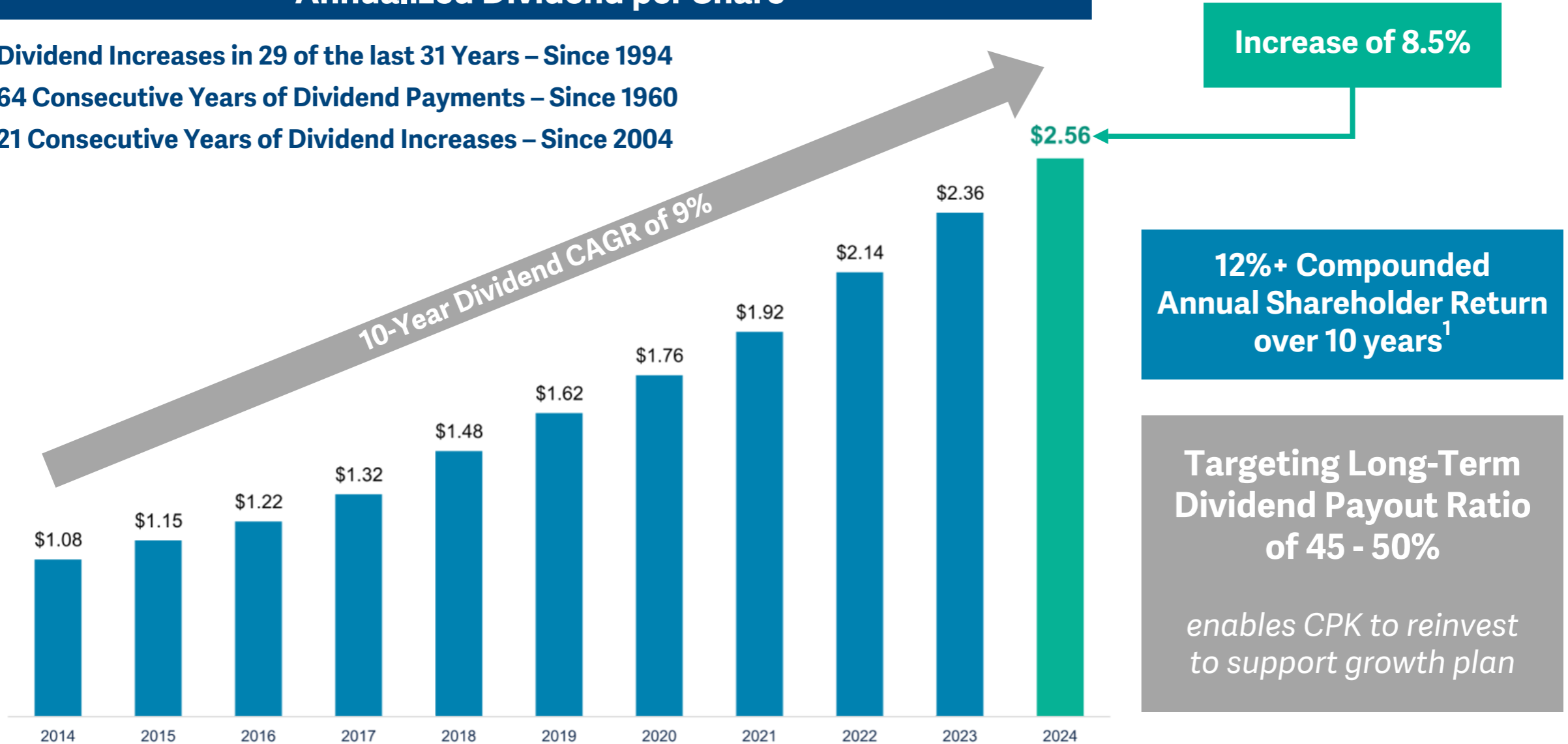
<sup>2</sup> Total liquidity includes the upsized \$450M Revolver and \$255M of Private Placement Shelves.



# Three Decades of Dividend Growth Drive Shareholder Return

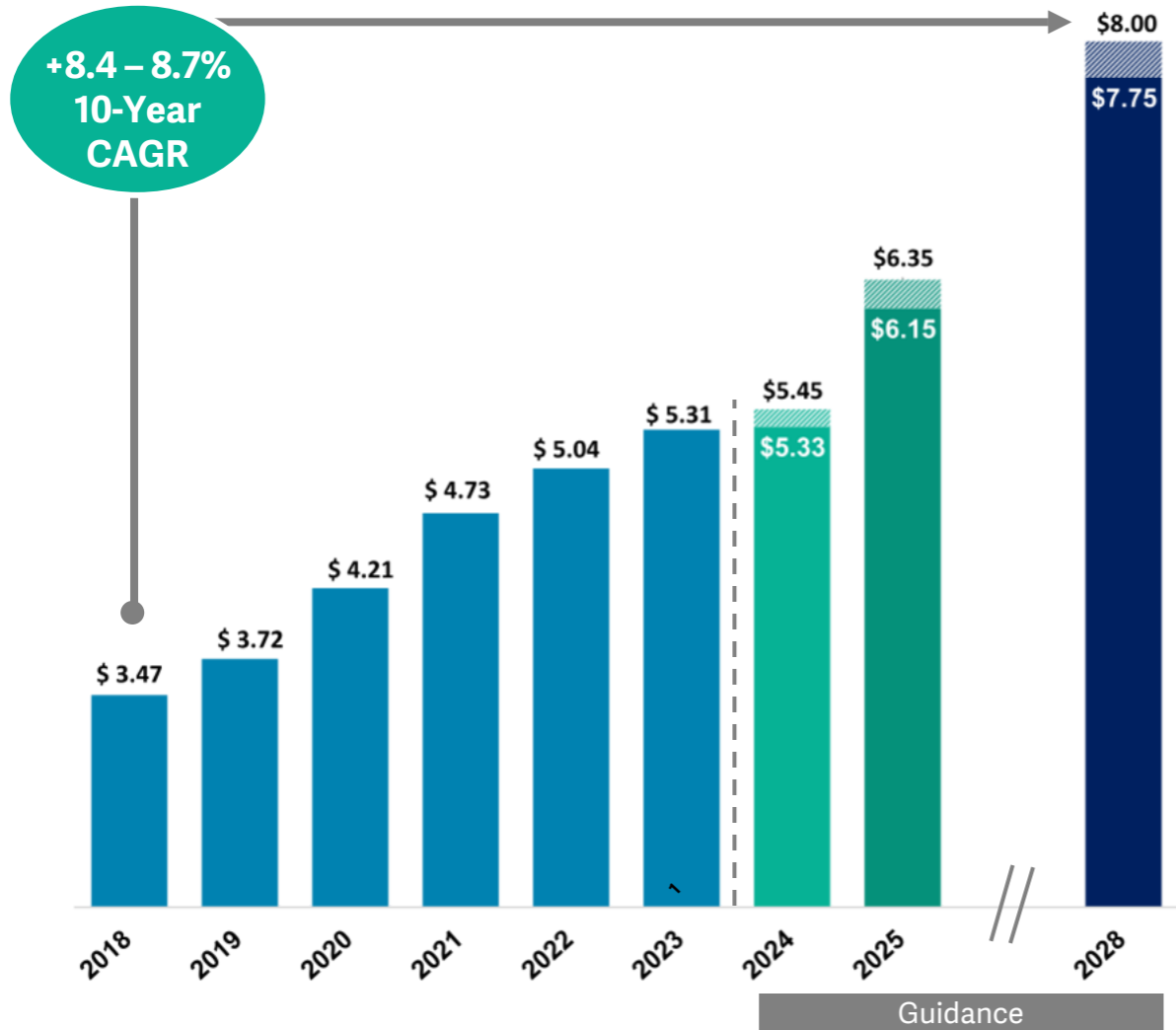
## Annualized Dividend per Share

Dividend Increases in 29 of the last 31 Years – Since 1994  
64 Consecutive Years of Dividend Payments – Since 1960  
21 Consecutive Years of Dividend Increases – Since 2004



# Driving Increased Shareholder Value; Reaffirming Earnings Guidance

## Earnings Per Share - Diluted



## Earnings Growth Driven by Capital Investment...

- YTD 2024 Adjusted Earnings Per Share of \$2.96<sup>1</sup>
- 2024 Adj. EPS Guidance of \$5.33 to \$5.45
- 2025 Adj. EPS Guidance of \$6.15 to \$6.35
- 2028 Adj. EPS Guidance of \$7.75 to \$8.00

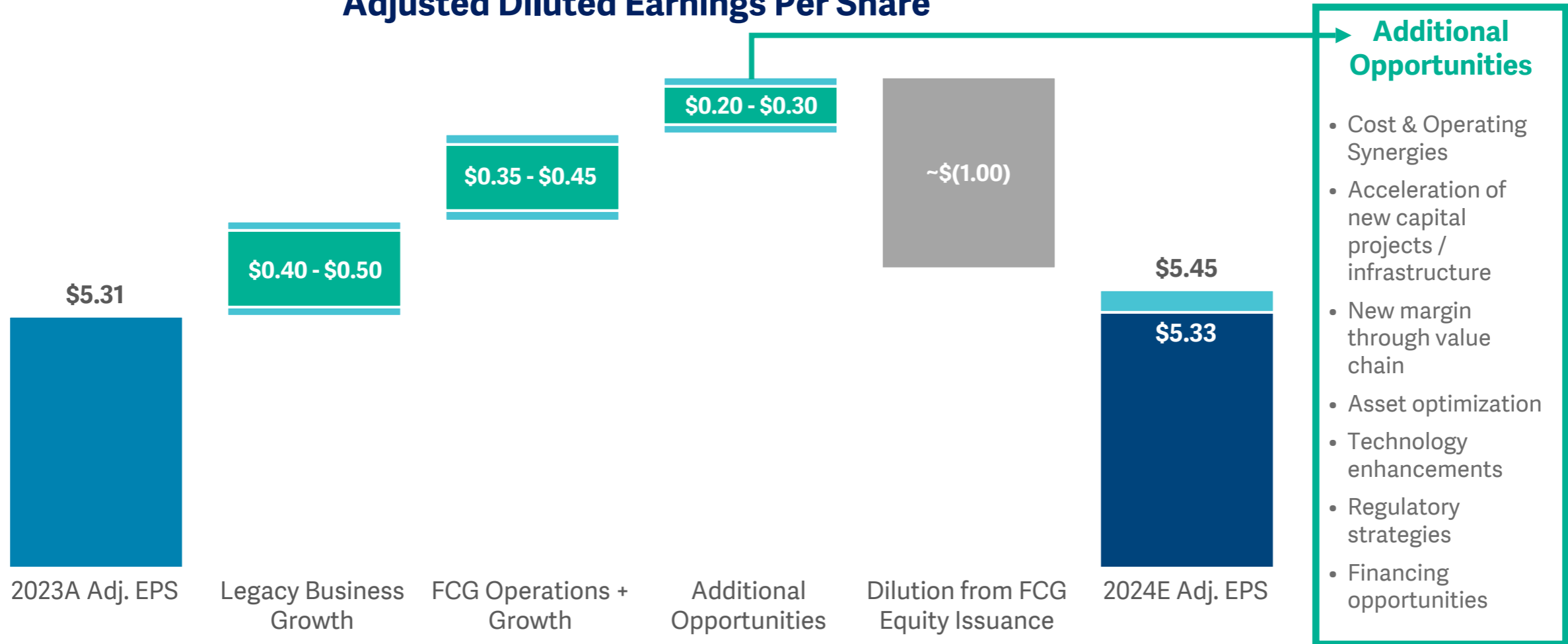
## ... Leading to Best in Class Shareholder Return

- Annual shareholder return >95<sup>th</sup> percentile among peer group<sup>2</sup> the past 5, 10, 15 & 20 year periods
- >300% increase in stock price over the past 15 years drives a \$2.1B Increase in Market Cap

# Pathway to 2024 EPS<sup>1</sup> Guidance

Our 2024 target is based on continued growth from our legacy businesses, a full year of contribution from FCG, and additional opportunities we have identified.

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



# Significant Regulatory Progress on Recent Florida Transmission Projects



## Approved

Q4 2023

Newberry Expansion,  
Wildlight Phase 2

CapEx:  
~\$28M

Q1 2024

Boynton Beach &  
New Smyrna Beach  
Pipelines

CapEx:  
~\$36M

May 2024

Lake Mattie,  
Plant City and  
St. Cloud

CapEx:  
~\$42M

Q3 2024

Indian River RNG,  
Brevard RNG, &  
Medley RNG

CapEx:  
~\$46M

Q3 2024

Pioneer Supply  
Header Pipeline

CapEx:  
N/A



## Under Review

Q3 2023

Worcester  
Resiliency  
Upgrade Project

CapEx:  
~\$80M

**11 Projects: \$152M**

# Worcester Resiliency Upgrade Project Proceeding On Schedule

**Eastern Shore Natural Gas LNG Storage project designed to meet critical energy service to customers during the peak winter heating season.**



- \$80 million planned liquefied natural gas storage facility in Bishopville, MD
- Project consists of five low-profile horizontal storage tanks allowing for up to 500 thousand gallons of storage plus pipeline looping and additional upgrades
- Incremental storage capacity will help protect against weather-related disruptions, to support affordable energy prices
- Easements now complete
- Discussions for tank delivery plan are underway
- Equipment purchase orders and engineering / designs being organized
- Expecting FERC Approval by year-end 2024 for construction start Q1 2025



**380M<sup>3</sup> Liquefied Natural Gas Storage Tanks**

# Approved Infrastructure Programs Support Capital Growth

## Gas

## Electric

### Eastern Shore

#### Capital Cost Surcharge

5-Year CapEx	<b>\$50-100M</b>
'24E Gross Margin	<b>\$4.0M</b>
'25E Gross Margin	<b>\$4.4M</b>

- **February 2018:** Received approval for program that allows recovery of costs for highway or railroad relocation projects related to equipment replacements

### Elkton Gas

- **Aldyl-A pipeline replacement** recently completed under PSC-Approved STRIDE filing

### Florida City Gas

#### SAFE Program

10-Year CapEx <sup>1</sup>	<b>\$255M</b>
2024E Gross Margin	<b>\$2.7M</b>
2025E Gross Margin	<b>\$5.3M</b>

- **April 2024:** Filed petition to more closely align SAFE program with FPU's GUARD program to accelerate remediation for problematic, obsolete, and exposed pipe
- Proposal represents an incremental \$50 million, leading to total project capital expenditures of **\$255 million** over 10 years

### Florida Public Utilities

#### GUARD Program

10-Year CapEx	<b>\$205M</b>
2024E Gross Margin	<b>\$3.2M</b>
2025E Gross Margin	<b>\$5.6M</b>

- **August 2023:** GUARD program approved, to improve safety, reliability and accessibility of portions of the natural gas distribution system, including relocation, replacement, and/or repair of equipment and assets
- Represents **\$205 million** of capital expenditures over 10 years

#### Storm Protection

5-Year CapEx	<b>\$50-75M</b>
'24E Gross Margin	<b>\$2.4M</b>
'25E Gross Margin	<b>\$4.0M</b>

- **Q4 2022:** Received approval for FPU Electric's Storm Protection Plan and associated Storm Protection Plan Cost Recovery Mechanism

# Constructive Regulatory Environments for Rate Cases

<b>Complete</b>	<b>Florida Public Utilities</b> <ul style="list-style-type: none"><li>• Rates effective March 1, 2023</li><li>• \$17.2 million rate increase; ROE of 10.25% and equity of 55%</li></ul>	<b>Florida City Gas</b> <ul style="list-style-type: none"><li>• Rates effective May 1, 2023</li><li>• \$14.1 million rate increase; allowed ROE of 8.5% -10.5%</li></ul>
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## In Progress

**Maryland LDCs: Chesapeake Utilities, Sandpiper Energy & Elkton Gas Company**

- Filed January 30, 2024, proposing a \$6.9M rate increase & requesting an 11.5% ROE
- Reached a finalized settlement in the depreciation study, representing **depreciation expense savings of \$1.2 million per year, retroactive to January 2023**
- Proposed consolidation of our three MD natural gas distribution entities into one legal entity: "Chesapeake Utilities of Maryland, Inc."
- Proposing other tariff changes, including establishing a new technology cost recovery rider, rolling certain investments into base rates, establishing a regulatory asset for an anticipated energy efficiency filing, and establishing an under-served area (USA) rate and a program for evaluating extensions to multi-family projects
- **Settlement conferences occurring this month, with constructive conversations thus far**

## Soon-to-be Filed

**Delaware LDCs**

- Submitted an "Intent to File" with Delaware PSC in May 2024
- Projected to file in August 2024

**Florida Electric**

- Submitted an "Intent to File" with Florida PSC in June 2024
- Projected to file in August 2024

# Full Circle Dairy in Production & Commissioning Phase



*We are poised to execute on opportunities that enable us to use our existing transportation services and construction expertise to provide market pathways for RNG producers.*

## Full Circle Dairy RNG Facility

- Project is now producing RNG and in commissioning phase
- During June 2024, the first month of production, ~4,700 dekatherms of RNG have been captured and transported for use
- This RNG is then transported and injected into the Chesapeake Utilities system in Yulee, Florida by CPK subsidiary Marlin Gas Service, via their virtual pipeline capabilities
- Once fully operational, Full Circle Dairy is expected to produce an average of 100,000 dekatherms annually
- This represents an emissions reduction equivalent to over 6,000 gasoline-powered vehicles



# Working Toward Excellence on All Fronts

## Sustainability Reporting

Second  
Micro-Sustainability  
Report on  
**Environmental  
Stewardship**  
to be issued in Q3 2024



## Corporate Awards



Escalent Names Florida City Gas  
**"Easiest to Do Business With"**



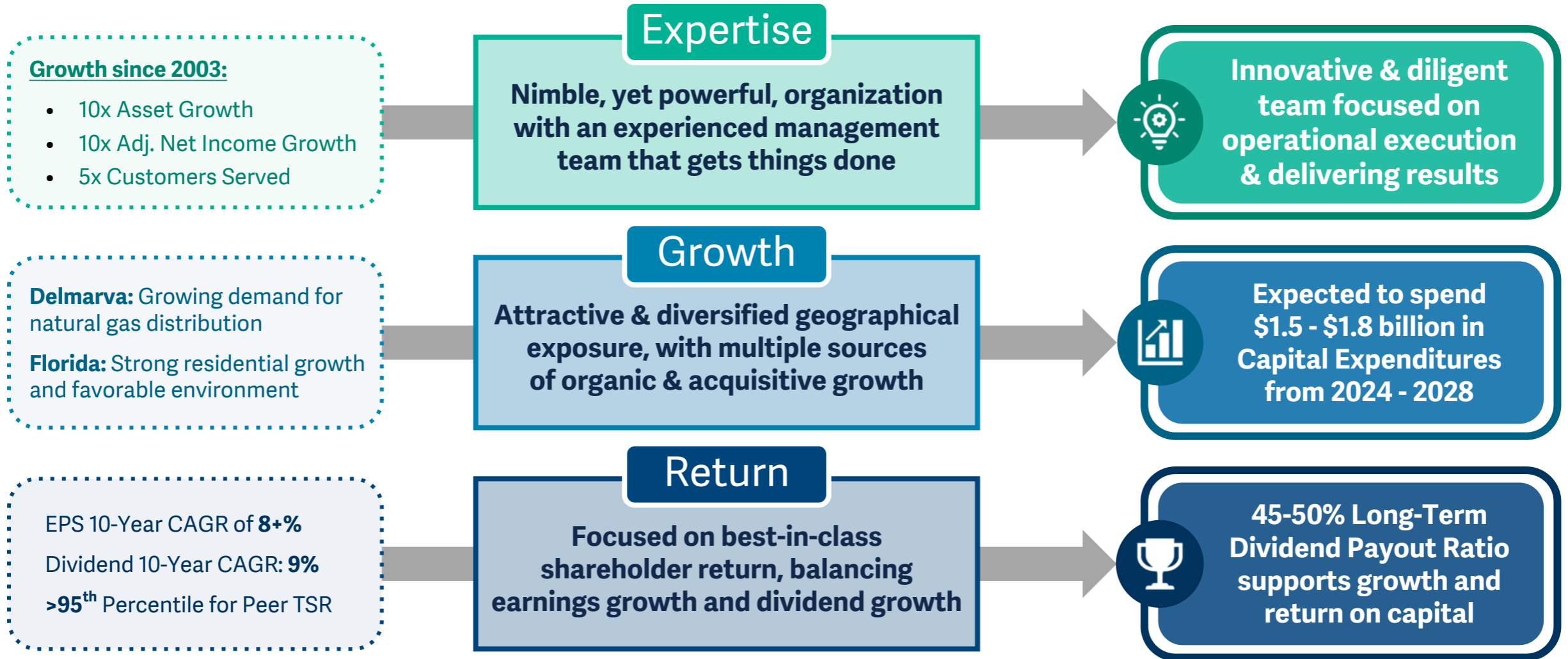
Sharp Energy recognized as  
**2024 Best Gas Company**  
by Metropolitan Magazine



For the second time, CPK named  
**Best for Corporate Governance**  
in the U.S. by World Finance

# Why Chesapeake Utilities?

CPK's unique combination of operational expertise, growth potential and consistent delivery of long-term shareholder return connects our strong historical track record with our future success.



# Appendix



Q2 2024 Earnings Call  
August 9, 2024



# GAAP to Non-GAAP Reconciliation – Consolidated Results

\$ in millions

Consolidated Reconciliation	Second Quarter Results				Year-to-Date Results			
	Q2 2024	Q2 2023	\$	%	YTD 2024	YTD 2023	\$	%
<b>GAAP Operating Revenues</b>	\$ 166.3	\$ 135.6	\$ 30.7	23%	\$ 412.0	\$ 353.7	\$ 58.3	16%
Cost of Sales								
Nat Gas, Propane, & Electric	(39.6)	(35.8)	(3.8)	11%	(120.9)	(124.4)	3.5	(3)%
Operating Expense <sup>1</sup>	(20.1)	(16.8)	(3.4)	20%	(41.3)	(34.5)	(6.8)	20%
D&A	(17.9)	(17.3)	(0.6)	3%	(34.9)	(34.5)	(0.4)	1%
<b>GAAP Gross Margin</b>	\$ 88.6	\$ 65.7	\$ 22.9	35%	\$ 215.0	\$ 160.3	\$ 54.6	34%
Add Back: Operating Expense <sup>1</sup>	20.1	16.8	3.4	20%	41.3	34.5	6.8	20%
Add Back: D&A	17.9	17.3	0.6	3%	34.9	34.5	0.4	1%
<b>Adjusted Gross Margin</b>	\$ 126.6	\$ 99.8	\$ 26.8	27%	\$ 291.2	\$ 229.3	\$ 61.8	27%

# GAAP to Non-GAAP Reconciliation – Regulated Energy Segment

\$ in millions

Regulated Segment	Second Quarter Results				Year-to-Date Results			
	Q2 2024	Q2 2023	\$	%	YTD 2024	YTD 2023	\$	%
<b>GAAP Operating Revenues</b>	\$ 130.6	\$ 101.1	\$ 29.5	29%	\$ 299.1	\$ 243.4	\$ 55.6	23%
Cost of Sales								
Nat Gas, Propane, & Electric	(27.4)	(23.9)	(3.5)	15%	(77.3)	(79.2)	1.9	(2)%
Operating Expense <sup>1</sup>	(12.3)	(9.2)	(3.0)	33%	(25.0)	(18.5)	(6.5)	35%
D&A	(14.7)	(13.0)	(1.6)	12%	(27.2)	(26.0)	(1.2)	5%
<b>GAAP Gross Margin</b>	\$ 76.3	\$ 55.0	\$ 21.4	39%	\$ 169.6	\$ 119.7	\$ 49.8	42%
Add Back: Operating Expense <sup>1</sup>	12.3	9.2	3.0	33%	25.0	18.5	6.5	35%
Add Back: D&A	14.7	13.0	1.6	12%	27.2	26.0	1.2	5%
<b>Adjusted Gross Margin</b>	\$ 103.2	\$ 77.3	\$ 26.0	34%	\$ 221.8	\$ 164.2	\$ 57.5	35%
<b>Unregulated Segment</b>	<b>Q2 2024</b>	<b>Q2 2023</b>	<b>\$</b>	<b>%</b>	<b>YTD 2024</b>	<b>YTD 2023</b>	<b>\$</b>	<b>%</b>
<b>GAAP Operating Revenues</b>	\$ 41.4	\$ 40.8	\$ 0.7	2%	\$ 124.5	\$ 123.9	\$ 0.6	—%
Cost of Sales								
Nat Gas, Propane, & Electric	(18.0)	(18.1)	0.1	(1)%	(55.1)	(58.7)	3.6	(6)%
Operating Expense <sup>1</sup>	(7.9)	(7.5)	(0.4)	5%	(16.3)	(16.0)	(0.3)	2%
D&A	(3.2)	(4.3)	1.0	(25)%	(7.7)	(8.5)	0.8	(9)%
<b>GAAP Gross Margin</b>	\$ 12.3	\$ 10.8	\$ 1.5	13%	\$ 45.4	\$ 40.7	\$ 4.7	12%
Add Back: Operating Expense <sup>1</sup>	7.9	7.5	0.4	5%	16.3	16.0	0.3	2%
Add Back: D&A	3.2	4.3	(1.0)	(25)%	7.7	8.5	(0.8)	(9)%
<b>Adjusted Gross Margin</b>	\$ 23.4	\$ 22.6	\$ 0.8	3%	\$ 69.5	\$ 65.2	\$ 4.2	6%

<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, 2023 for additional details.

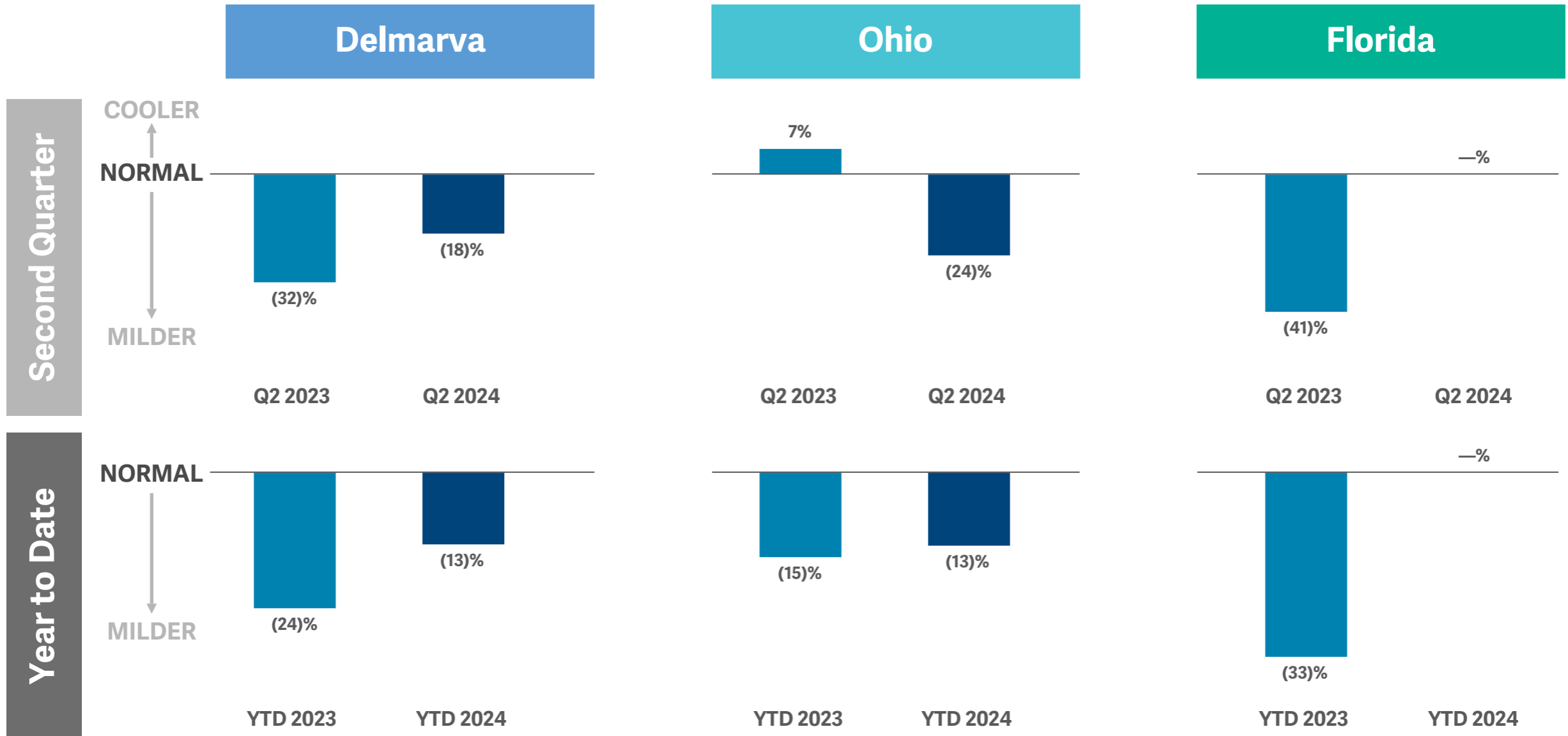
# GAAP to Non-GAAP Reconciliation – Adjusted Net Income and EPS

\$ in millions except per-share amounts

shares in thousands

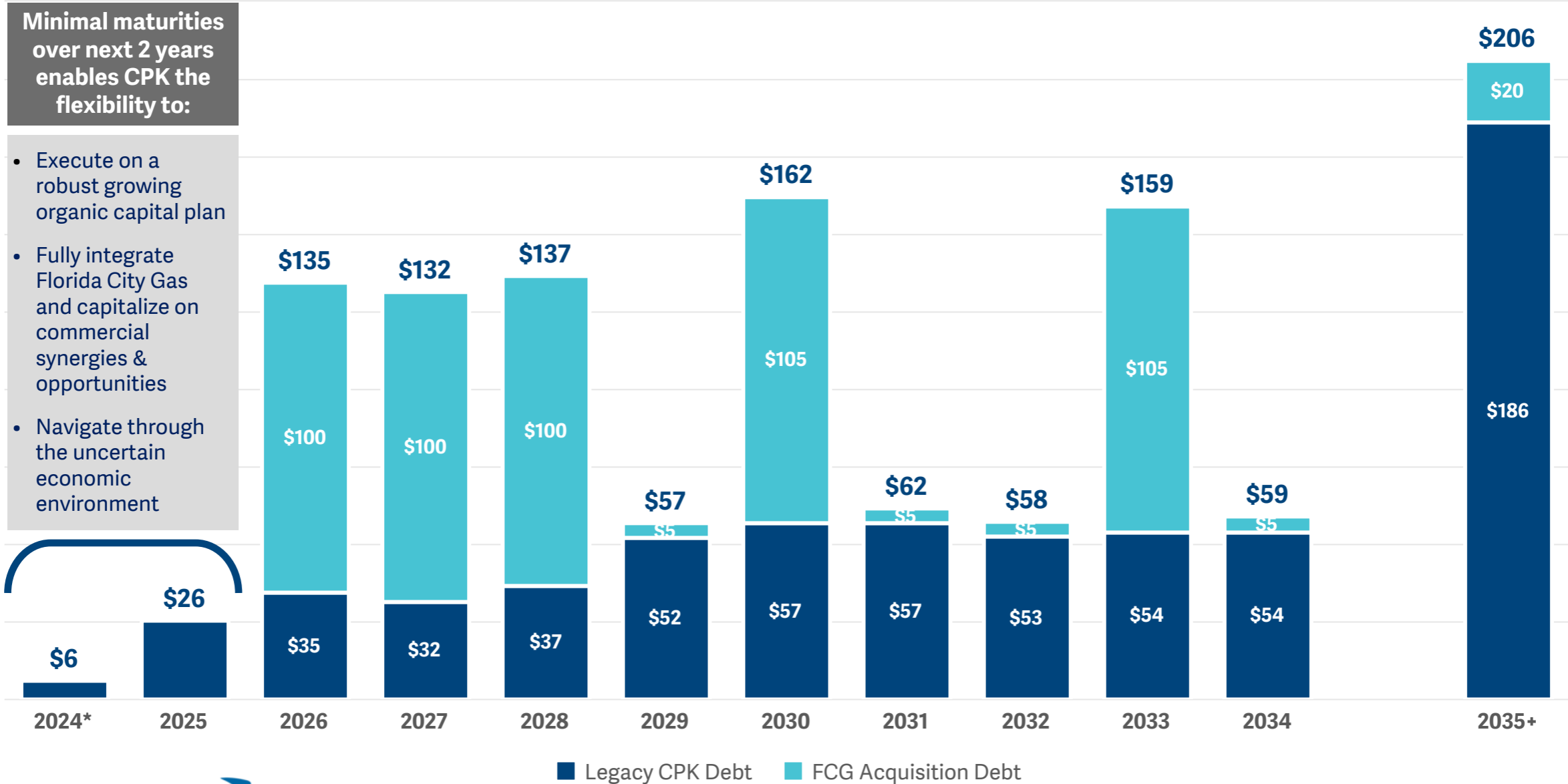
Non-GAAP Reconciliation: NI /EPS	Second Quarter Results				Year-to-Date Results			
	Q2 2024	Q2 2023	\$	%	YTD 2024	YTD 2023	\$	%
<b>GAAP Net Income</b>	\$ 18.3	\$ 16.1	\$ 2.1	13%	\$ 64.4	\$ 52.5	\$ 12.0	23%
FCG Transaction+Transition Expenses <sup>1</sup>	\$ 1.0	\$ —	\$ 1.0	NM	\$ 1.7	\$ —	\$ 1.7	NM
<b>Adjusted Net Income</b>	<b>\$ 19.3</b>	<b>\$ 16.1</b>	<b>\$ 3.1</b>	<b>19%</b>	<b>\$ 66.1</b>	<b>\$ 52.5</b>	<b>\$ 13.6</b>	<b>26%</b>
<b>Diluted Weighted Avg. Common Shares Outstanding<sup>2</sup></b>	<b>22,335</b>	<b>17,852</b>			<b>22,320</b>	<b>17,842</b>		
<b>GAAP Diluted EPS</b>	\$0.82	\$0.90	\$ —	(9)%	\$2.89	\$2.94	\$ —	(2)%
FCG Transaction+Transition Expenses <sup>1</sup>	\$0.04	—	\$ —	NM	\$0.07	—	\$ —	NM
<b>Diluted Adjusted EPS</b>	<b>\$0.86</b>	<b>\$0.90</b>	<b>\$ —</b>	<b>(4)%</b>	<b>\$2.96</b>	<b>\$2.94</b>	<b>\$ —</b>	<b>1%</b>

# Weather Has Generally Been Warmer than Normal



# Long-Term Debt Profile – Positioned to Execute Growth Plan

\$ in millions





# Quarterly Earnings Cadence

Adjusted EPS <sup>1</sup>					
Year	Q1	Q2	Q3	Q4	FY
<b>2023</b>	<b>\$2.04</b>	<b>\$0.90</b>	<b>\$0.69<sup>2</sup></b>	<b>\$1.64</b>	<b>\$5.31</b>
% of FY	38%	17%	13%	31%	
<b>2022</b>	<b>\$2.08</b>	<b>\$0.96</b>	<b>\$0.54</b>	<b>\$1.47</b>	<b>\$5.04</b>
% of FY	41%	19%	11%	29%	
<b>2021</b>	<b>\$1.96</b>	<b>\$0.78</b>	<b>\$0.71</b>	<b>\$1.28</b>	<b>\$4.73</b>
% of FY	41%	16%	15%	27%	
<b>2020</b>	<b>\$1.77</b>	<b>\$0.64</b>	<b>\$0.56</b>	<b>\$1.24</b>	<b>\$4.21</b>
% of FY	42%	15%	13%	29%	
<b>2019</b>	<b>\$1.75</b>	<b>\$0.54</b>	<b>\$0.38</b>	<b>\$1.04</b>	<b>\$3.72</b>
% of FY	47%	15%	10%	28%	
<b>5yr % Band</b>	<b>38% - 47%</b>	<b>15% - 19%</b>	<b>10% - 15%</b>	<b>27% - 31%</b>	

Note: Historic Adjusted EPS presented from continuing operations.

<sup>1</sup> 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.

<sup>2</sup> The sum of the four quarters does not equal the full year amount due to rounding and the impact of average share counts

# Aligning our Work with a Higher-Level Purpose

## Our Mission

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



## Our Values

**Care** We put people first.

**Integrity** We tell the truth.

**Excellence** We achieve great things together.

## Our Vision

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

