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2019 AGA Financial Forum

May 21-23, 2019

CHESAPEAKE UTILITIES CORPORATION

Forward Looking Statements and Other Disclosures

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, and you should refer to the additional information contained in Chesapeake Utilities Corporation's 2018 Annual Report on Form 10-K filed with the SEC and our other SEC filings concerning factors that could cause those results to be different than contemplated in today's discussion.

REG G Disclosure: Today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. Although non-GAAP measures are not intended to replace the GAAP measures for evaluation of Chesapeake's performance, Chesapeake believes that the portions of the presentation, which include certain non-GAAP financial measures, provide a helpful comparison for an investor's evaluation purposes.

Gross Margin (non-GAAP measure): Gross Margin is determined by deducting the cost of sales from operating revenue. Cost of sales includes the purchased fuel cost for natural gas, electric and propane distribution operations and the cost of labor spent on different revenue-producing activities and excludes depreciation, amortization and accretion. Other companies may calculate gross margin in a different manner.

Adjusted EPS (non-GAAP measure): Diluted Earnings per share excluding the impact of certain significant new non-cash items, including, but not limited to, the following: the impact of unrealized mark-to-market changes and one-time charges, such as severance charges. The Company calculates "adjusted earnings" by adjusting reported (GAAP) earnings to exclude the impact of certain significant non-cash items, including the impact of unrealized MTM gains (losses), one-time charges such as severance charges, and any prior year tax savings retained by our regulated businesses as a result of current year regulatory authorizations.

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Financial Update

Our Commitment to Financial Discipline and Shareholder Value

Chesapeake Utilities - Key Statistics

- **$1.7 Billion** Total Assets (12/31/2018)
- **12 Years** Superior Annual Earnings Growth
- **$1.5 Billion Market Capitalization** (4/30/19)
- **5,359 Miles** of Gas Pipelines and Distribution Mains
- **Five Years** 11.0% plus ROE, 8.8% EPS CAGR
- **246,000** Distribution Customers
- **$283 Million** Capital Investment in 2018

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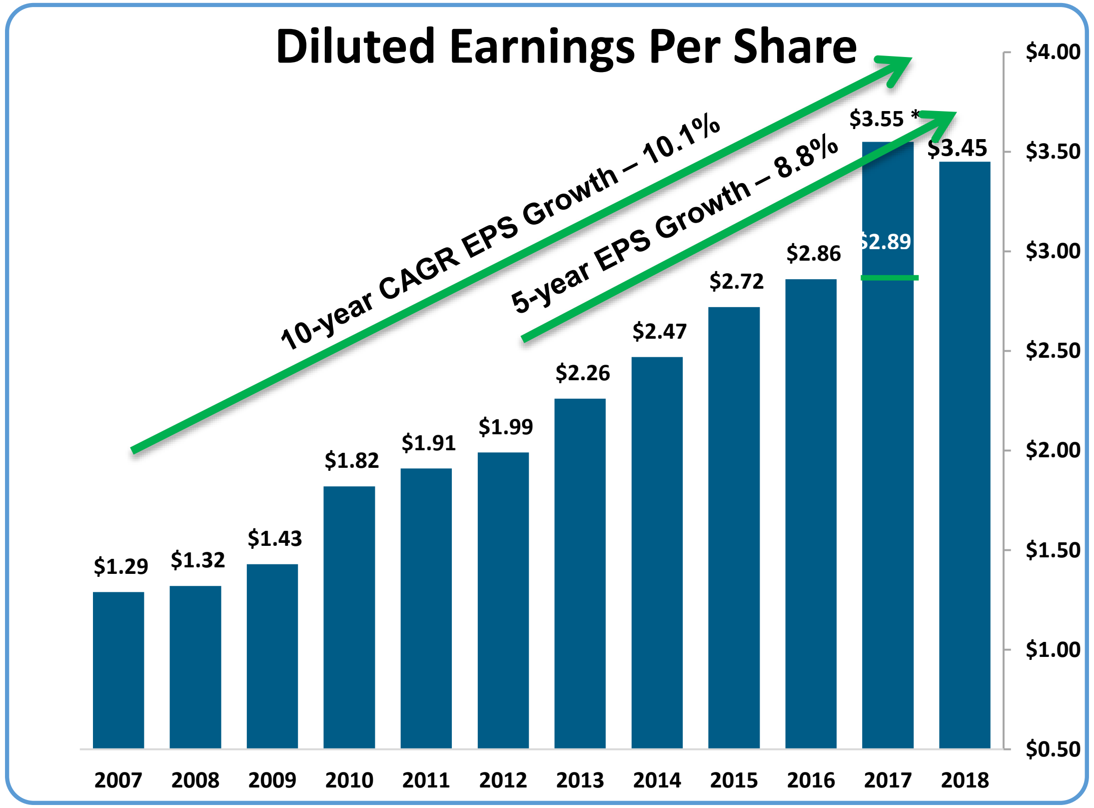
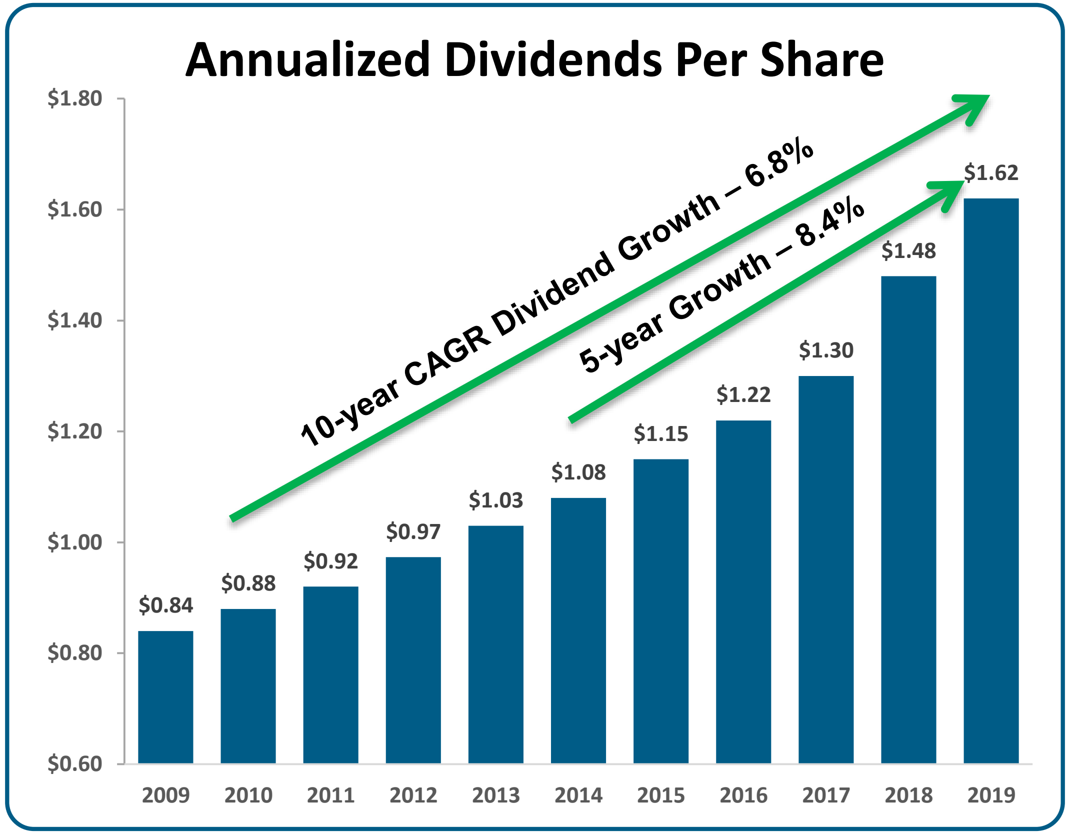
Earnings and Dividends

Twelve Years of Superior Growth



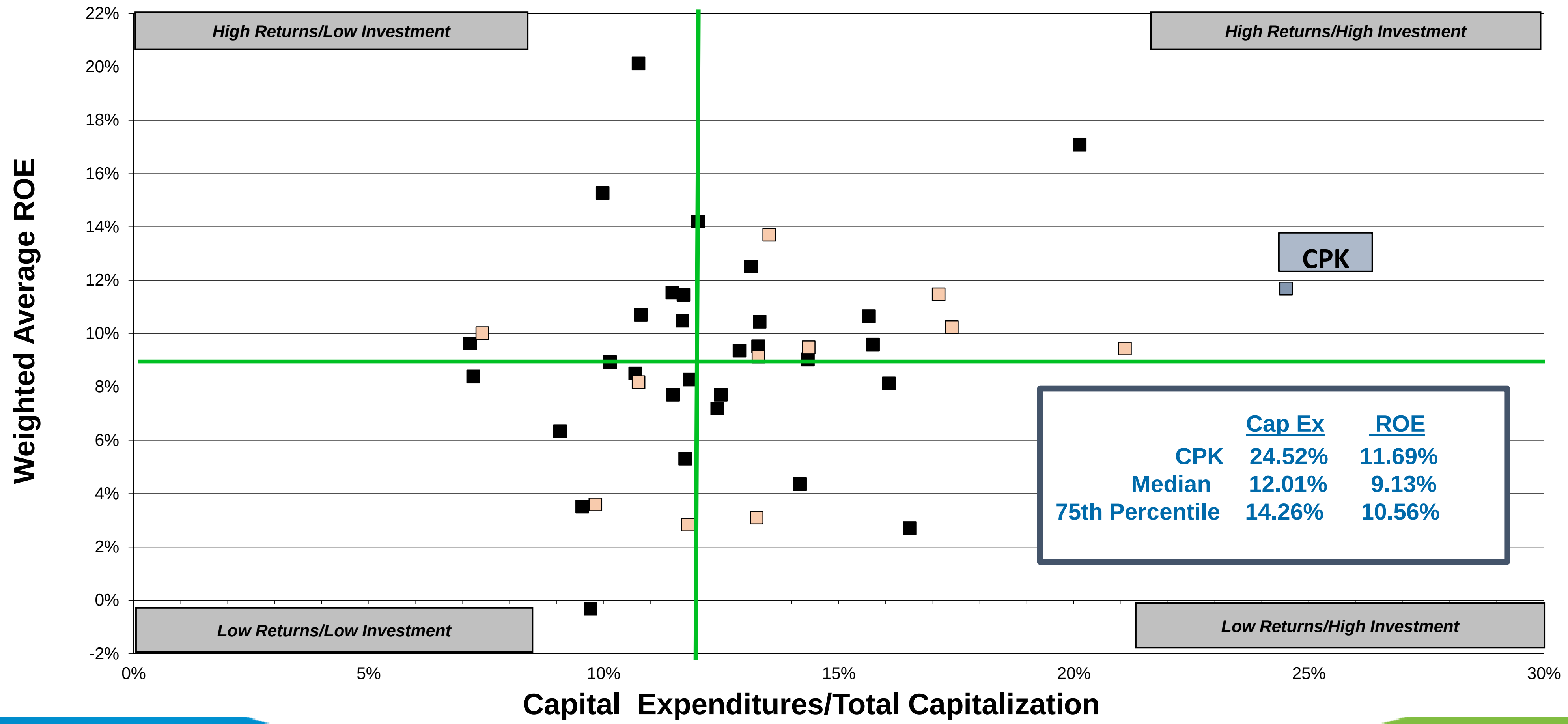
Adjusted Non-GAAP EPS of $2.89 excludes TCJA Impact



We have generated strong earnings growth, which has enabled us to grow our recent dividends faster than our peers.

Capital Projects – High Return / High Investment

Peer ROE vs. Capital Expenditures (January 2016 – December 2018)



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Strategic Achievements in 2018

- Substantially completed **Eastern Shore Natural Gas 2017 System Expansion**
  - Set a new daily delivery record in excess of 250,000 dekatherms
  - Recovered cost of the System Expansion and reliability projects through FERC rate proceeding that contributed $9.5 million in margin in 2018
- **Peninsula Pipeline** constructed a $36 million pipeline to serve industrial customers and gas utilities in Northwest Florida; and a $9 million project to replace an aging undersized lateral serving the FPU distribution system in New Smyrna Beach
- **Delmarva Natural Gas** added 3,000 customers. The conversion of the propane system to natural gas in and around Ocean City, Maryland is progressing on schedule; and we have converted 7,600 accounts to date.
- **Sharp Energy** completed the acquisition of R.F. Ohl Company, a retail propane business in the Pocono Mountain region of Pennsylvania. Sharp keeps growing its AutoGas business, delivering more than 2 million gallons of propane for vehicle fuel. Sharp began providing its AutoGas offering in Florida in 2018.
- Our Florida team successfully responded and restored electric service after the significant damage caused by **Hurricane Michael**.
- FPU acquired what is now **Marlin Gas Services** which provides temporary CNG fueling services for natural gas utility distribution systems.

Chesapeake Utilities – First Quarter 2019 Highlights

Superior Shareholder Return Driven by Consistent Above Average Earnings and Dividend Growth

- Greater than 16% total shareholder return for 1, 3, 5, 10 & 20 years ended April 30, 2019
- 20% growth in adjusted earnings per share for first quarter 2019 compared to first quarter 2018
- Dividend increased by 9.5%; 5 Year CAGR = 8.4%
- Dividend growth supported by earnings growth (5 Year EPS CAGR of 8.8% -- through 12/31/18)

Continued Growth Across the Company's Businesses

- $10.1 Million in Incremental Gross Margin – Key Drivers include:
  - $4.3 million from new pipeline projects
  - $2.8 million from Marlin & Ohl acquisitions
  - $2.5 million from Unregulated Business Segment - Aspire Energy, Customer growth and higher retail propane margins more than offset lower weather related consumption and wholesale results
  - $1.5 million from natural gas distribution customer growth

Successful Regulatory Initiatives

- Florida PSC approved retention of a portion of TCJA tax savings:
  - $1.3 million gain on reversal of 2018 tax reserves
  - $1.9 million incremental benefit (net of GRIP) annually beginning in 2019 ($794,000 in first quarter of 2019)
- Florida PSC approved storm recovery fund surcharge associated with Hurricane Irma
  - $1.9 million recovered from April 2019 to March 2021

Reconciliation of GAAP to Adjusted Earnings

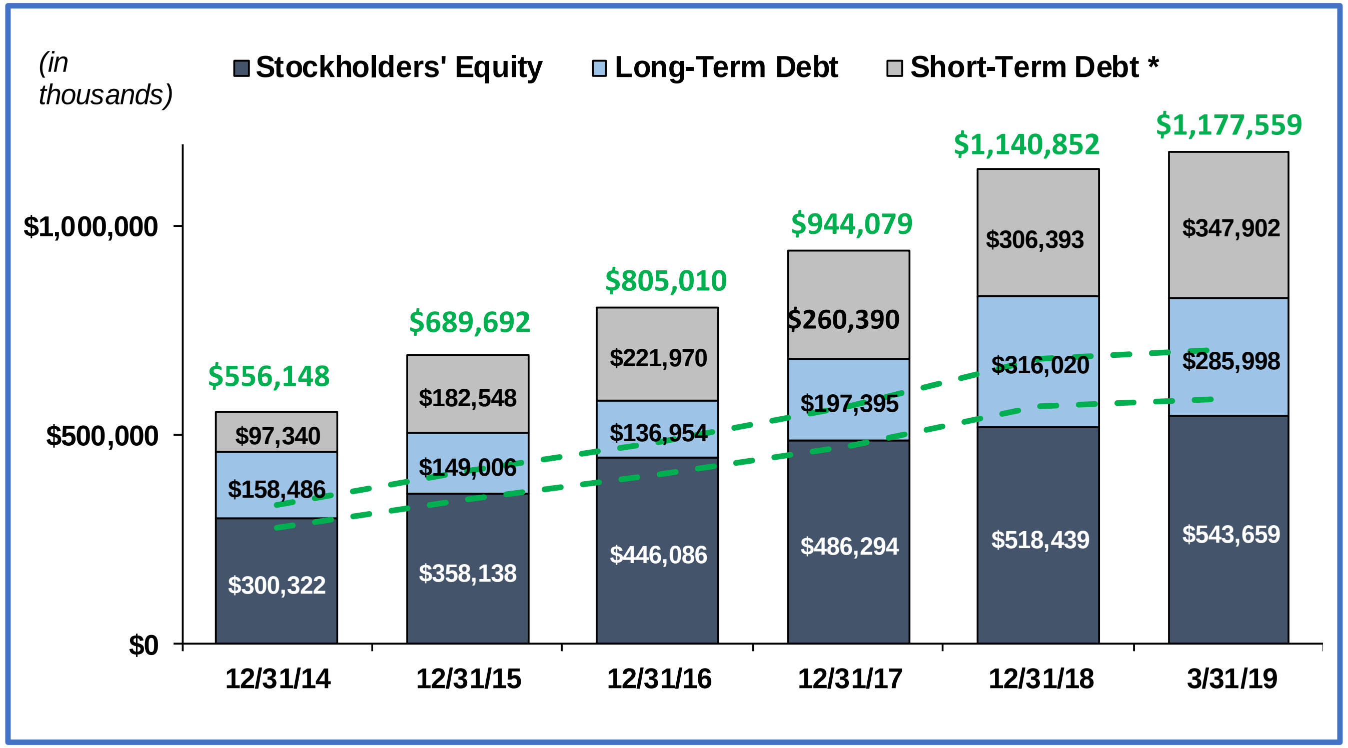
First Quarter 2019

For the Three Months Ended March 31,	2019		2018		Growth	
(in thousands except per share data)	Net Income	EPS	Net Income	EPS	Net Income	EPS
Adjusted (Non-GAAP) Earnings	**$ 27,754**	**$ 1.68**	**$ 22,847**	**$ 1.40**	**21.5%**	**20.0%**
Change in unrealized mark-to market ("MTM") activity	(80)	-	4,008	0.24		
2018 portion of the retained tax savings for certain Florida natural gas distibution operations associated with the TCJA income tax rate	990	0.06	-	-		
Reported (GAAP) Earnings	**$ 28,664**	**$ 1.74**	**$ 26,855**	**$ 1.64**	**6.7%**	**6.1%**

2019 is off to a great start (whether measured from a GAAP or non-GAAP basis)

Capital Capacity Has Supported Our Growth

Total Capitalization has More Than Doubled in Five Years



	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	3/31/19
Equity/Permanent Capitalization	65.5%	70.6%	76.5%	71.1%	62.1%	65.5%
Equity/Total Capitalization	54.0%	51.9%	55.4%	51.5%	45.4%	46.2%

- During 2019, we will fund a committed $100 million note due in 2039 at 3.98%.
- We expect to refinance with permanent capital the $60 million intermediate term notes due in 2020 – which are currently included in current portion of long-term debt.
- We are reviewing our capital structure and financing plans for debt and equity in conjunction with the timing of our capital spending and in-service dates for growth projects.
- We expect to migrate back closer to our target structure as we move through the latter part of this year and into 2020.

Excluding $60 MM 2020 Term Notes

Equity to Total Capitalization equals 49%

Target Equity to Total Capitalization Ratio of 50% - 60%

* *Short-term debt includes current portion of long-tem debt*

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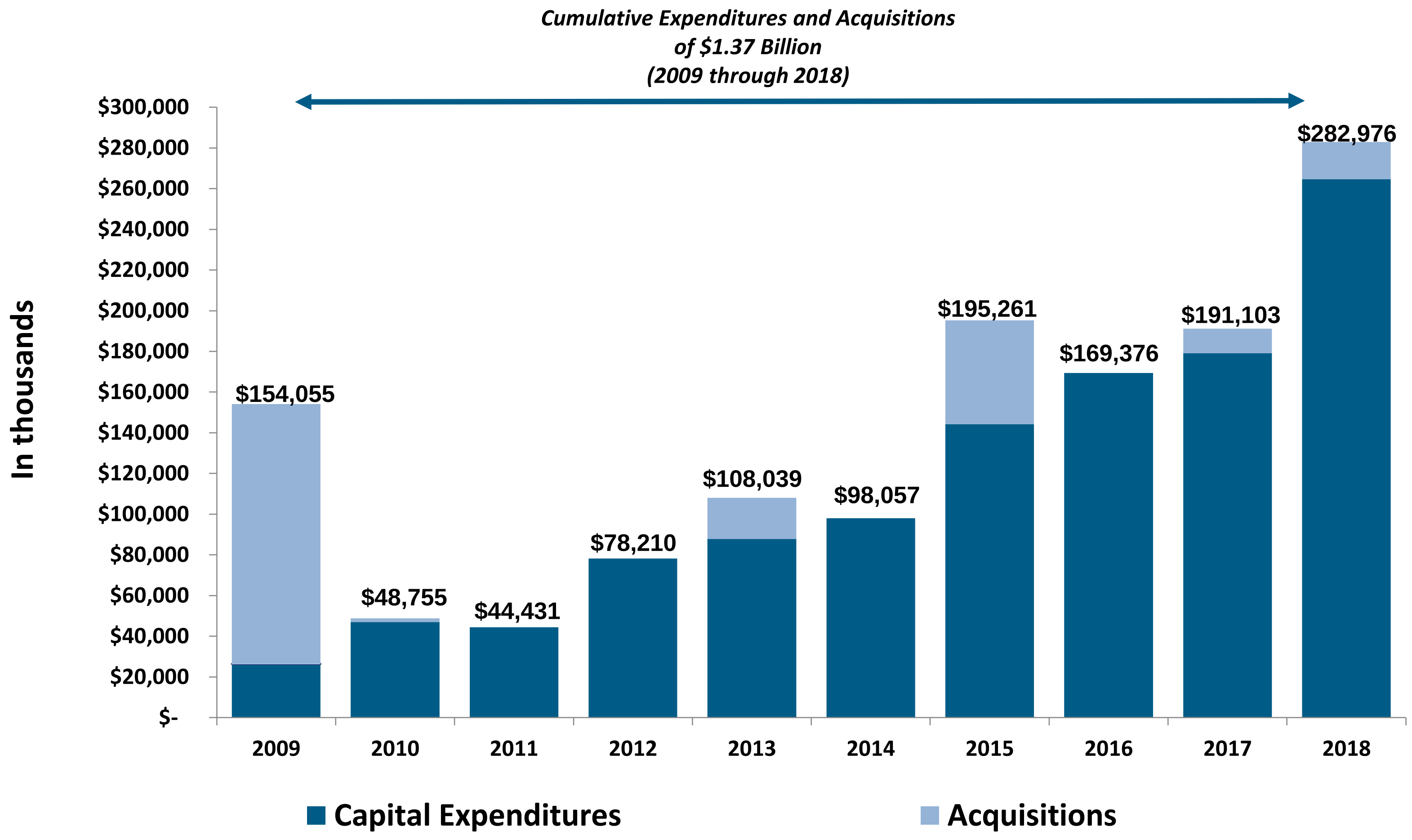
Investing for the Future

Current and Future Growth Opportunities

Continuing to Build for the Future

Capital Expenditures



We have invested $1.37 billion in capital expenditures from 2009 to 2018 (ten year period) which has propelled our growth.

$ in thousands	2019 Forecasted Capital Expenditures
$66,787	Natural Gas Transmission
70,092	Natural Gas and Electric Distribution
21,631	Unregulated Energy
9,705	Corporate / Other
$168,215	Total Forecasted Capital Expenditures

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Major Projects and Initiatives

Increasing Shareholder Value by Continuously Seeking and Developing Projects and Initiatives

	Gross Margin for the Period				
	Three Months Ended March 31,		Year Ended December 31,	Estimated for Fiscal	
Project/Initiative *in thousands*	**2019**	**2018**	**2018**	**2019**	**2020**
Florida GRIP	**$ 3,565**	$ 3,342	$ 13,323	$ 14,204	$ 15,565
2017 Eastern Shore System Expansion Project - including interim services	**4,800**	2,263	9,238	16,183	15,799
Tax benefit retained by certain Florida entities	**2,115**	-	-	3,199	1,879
Northwest Florida Expansion	**1,307**	-	3,485	6,500	6,500
Western Palm Beach Expansion	**161**	-	54	605	4,711
Marlin	**2,329**	-	110	5,100	6,000
Ohl propane acquisition (rolled into Sharp Energy)	**476**	-	-	1,200	1,236
Del-Mar Energy Pathway Project - including interim services	**165**	-	-	725	3,039
Total	**$ 14,918**	**$ 5,605**	**$ 26,210**	**$ 47,716**	**$ 54,729**
Change	**$ 9,313**			**$ 21,506**	**$ 7,013**

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Natural Gas Expansion

Recent Eastern Shore and Florida Transmission Projects

Expansion Projects	Completion Date	Investment Amount (000's)	Fully In-Service Annual Margin (000's)
2017 Eastern Shore System Expansion, Delmarva (1)	Q2 - 2019	$117,000	$16,183
Northwest Florida Expansion, Florida	Q2 - 2018	$44,300	$ 6,500
New Smyrna Beach, Florida	Q4 – 2018	$9,000	$1,400
Western Palm Beach County, Florida (2)	Q1 - 2020	$30,000	$4,700
Total		$200,300	$28,783

(1) Eastern Shore expansion substantially completed in 2018

(2) Western Palm Beach County expansion partially in-service in December 2018

- ***Projects /Phases include Belvedere, Westlake/Arden, Avenir and Research Park***
- ***Fully in-service 2020 with annual margin of $4.7 million***

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Del-Mar Energy Pathway Project Under Development

Strategic Growth Initiative

Maximize Organic Growth in Existing Geographic Footprint

- The proposed facilities associated with the Project will provide the transportation capacity needed to serve DE Division, MD Division and Sandpiper Energy's projected organic customer growth

Expand into New Geographic Areas

- East Sussex County – projected to be DNG's highest growth territory over the next few years
- Somerset County – piped natural gas available to the county for the first time in history

Develop Additional Growth Across Business Units

- Chesapeake's distribution divisions are participating in the Project; with piped natural gas available in Somerset County for the first time; Chesapeake has the opportunity to capture growth in that area and obtain franchise agreements

Public Perception

- ESNG and Chesapeake have been discussing natural gas availability with Somerset County for a few years - with the pipeline extension into Somerset County, this is now a real and executable project.

Callahan Pipeline – PPC Expansion Project

Nassau County, Florida

Project Overview

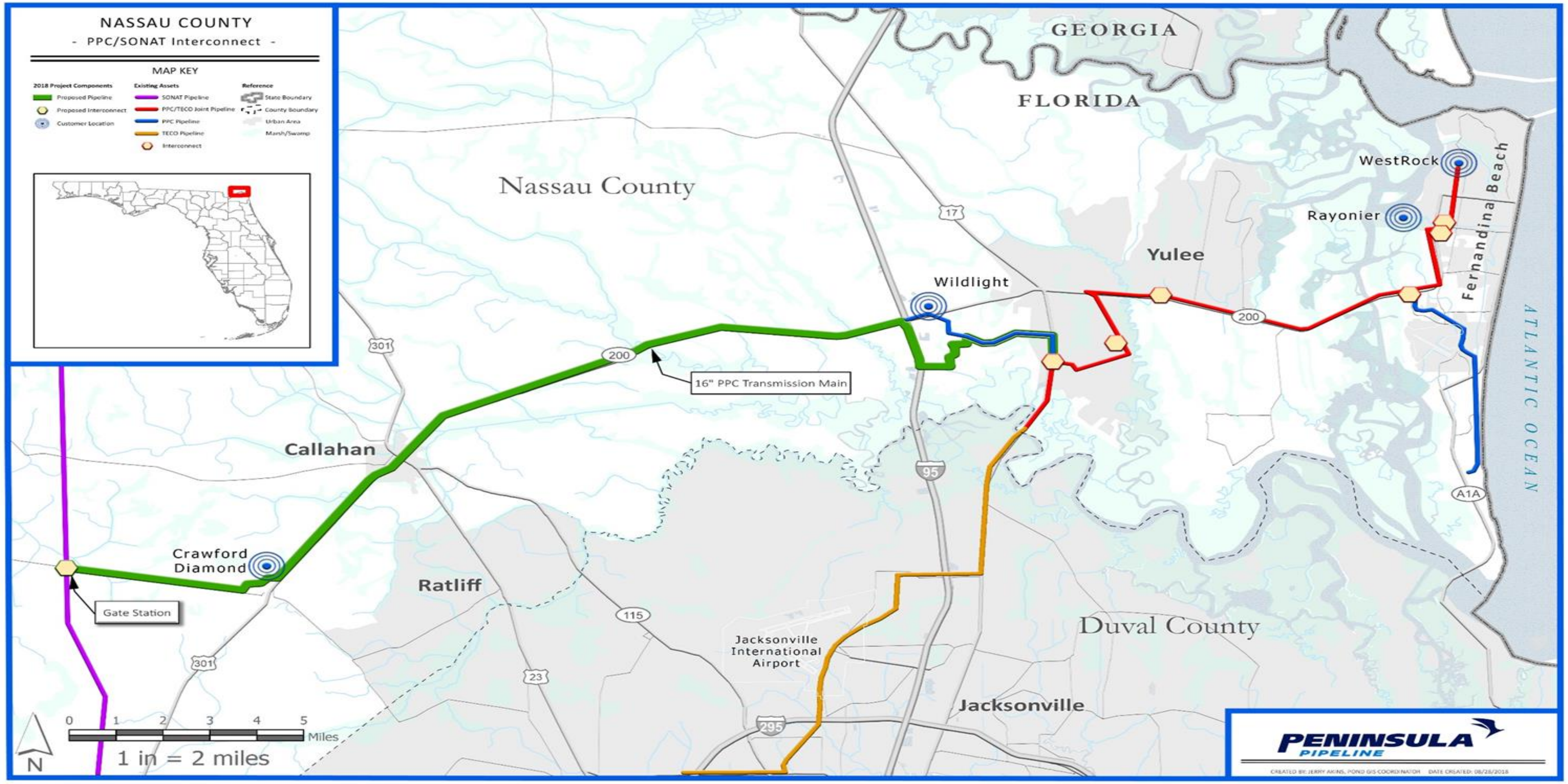
- Joint intrastate transmission project between Peninsula Pipeline Company and Seacoast Gas Transmission (an EMERA Affiliate) in Nassau County, Florida.
- Investment and ownership would be split 50/50.
- Peninsula Pipeline will operate the pipeline.
- Interconnects to the SONAT interstate system in western Nassau County and terminates into the existing Peninsula Pipeline – Peoples Gas jointly-owned pipeline.
- Current gas flow from Duval County north into Nassau County would be reversed.
- The new pipeline would serve growing demand in both Nassau and Duval counties.

Project Description

- 26 mile, 16” pipeline
- Initial capacity: 148,248 dt/day
- SONAT pipeline operates up to 1,200 psig; potential opportunity for future pressure and capacity increase.
- Majority of the pipeline is in public right-of-way. Three sections require easements, across FPL, WestRock, and Rayonier property. The Rayonier easement avoids the existing roadway construction on SR 200.
- Peninsula Pipeline investment totals $34M.
- Annual margin $6.M
- In-service Q3 2020.

Callahan Pipeline

Nassau County, Florida



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Marlin Gas Services

Significant Growth Potential

Mobile Compressed Natural Gas Delivery Solutions.

- Emergency response for pipeline and gas distribution systems
- Temporary service for planned maintenance or system upgrade outages
- Virtual pipeline delivery
- Transport of RNG from landfills or biogas producers to pipelines, vehicle fueling stations, end-users
- Deliveries for gas quality requirements and peaking services

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Marlin Gas Services

Q1 Results and 2019 Forecast

1st Quarter Results

- Growth is above proforma target
- 2019 forecast margin ($5.1M) exceeds budget
- Obtained additional trucks, trailers, and off load regulators to meet expected demand.

Growth Forecast

- 2020 Margins expected to be >$6.0M
- Additional trailers and compressors on order
- Offload regulators are being constructed
- Further territorial expansion into the Southeast, Mid-Atlantic, and Gulf Coast regions
- Negotiating utilization of CNG station in Delmarva
- Two additional CNG stations planned
- Probable expansion into LNG transportation

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Regulatory and Governance

Our Commitment to Innovation and Sustainability

Significant Regulatory Initiatives

First Quarter 2019 Developments and Currently Planned Filings

Florida - FPU	
TCJA – Natural Gas (non-GRIP) (CFG and FPU)	Company retains benefit: $1.3MM reserve reversal in Q1; annual benefit = $1.9MM
TCJA – Natural Gas (GRIP)	Customer rates were adjusted through annual rate mechanisms with the ADIT regulatory liability to also be an annual rate adjustment
TCJA – Electric	Return tax savings to customers through lower fuel costs and storm reserve recovery
Electric Storm Reserve	In March 2019 Florida PSC approved recovery of $428,000 incurred costs and $1.5MM for storm reserve replenishment to be collected in rates from April 2019 – March 2021
Hurricane Michael Response	We plan to file for cost recovery some time during the second/third quarter of 2019
Delaware- DNG	
TCJA	Customer rates adjusted March 2019; customer credits to be issued in 2nd quarter 2019
Weather Normalization	Filed in January 2019; under review with a decision expected by December 2019
FERC - ESNG	
Del Mar Energy Pathway Project	Environmental assessment issued; final approval by FERC expected by the third quarter 2019

Chesapeake's Business Units approach their Regulatory Proceedings with Innovative Solutions and Initiatives

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Note: Maryland PSC and FERC finalized TCJA treatment in 2018

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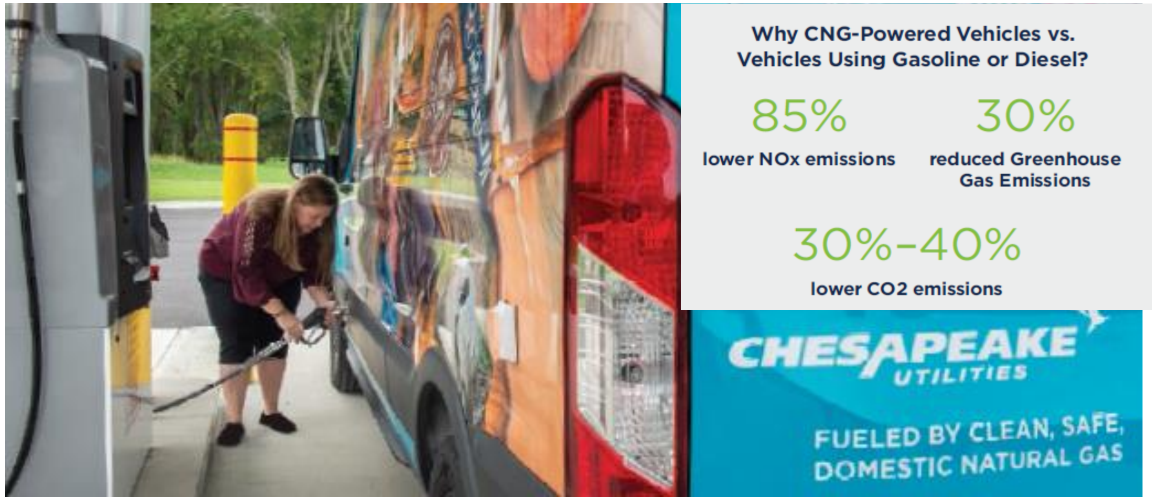
Chesapeake Utilities Commitment

Sustainability and ESG

CNG Vehicle Fuel



Marlin Gas Services

Eight Flags Combined Heat and Power Plant

2018 Air Quality Awareness Champion

Green Globes Certificate Energy Lane Facility

Sharp AutoGas

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Corporate Culture

Combination of
Strategic Focus, Engaged Employees and Innovation

2018 Best North American Utility for Corporate Governance

- **Corporate Governance**
  - *2018 Best North American Utility for Corporate Governance*

Employee-Centric
- Seven years in row being recognized as a *Top Workplace*

TOP WORK PLACES

- **Connecting with our Customers and Communities**

  - Chesapeake Utilities recognizes that customers expect safe, efficient and reliable service , as well as enhanced business connection options, more convenience and modern solutions.

  - In 2018 Chesapeake employees volunteered over 3,900 hours making personal connections and having a significant impact where we live, work and serve

CHESAPEAKE Cares WITH A CAUSE
Cares With A Cause

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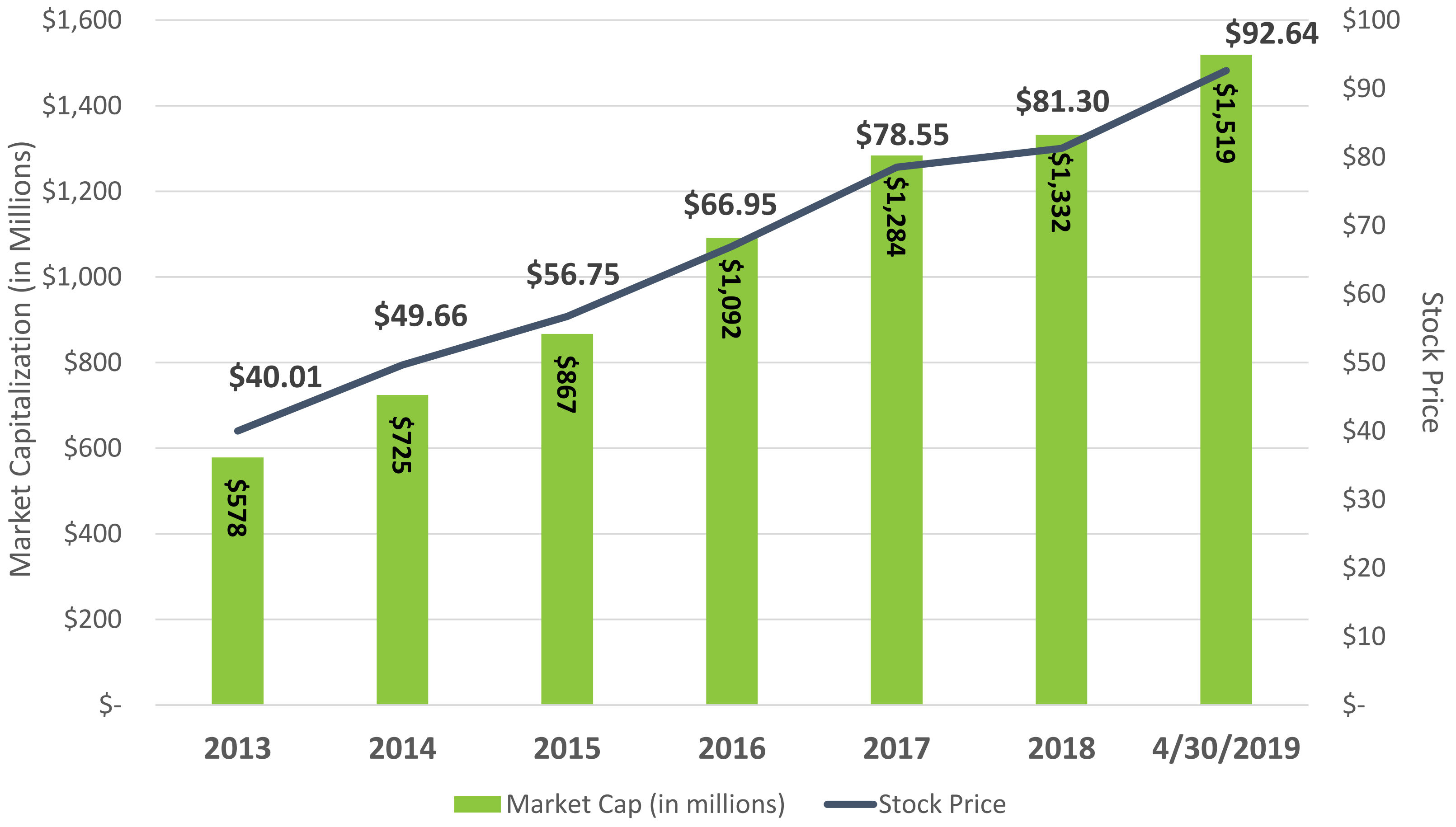
Closing Remarks


MAY 20, 2019
NEW YORK STOCK EXCHANGE
NYSE OPENING BELL®
CPK
LISTED
NYSE
CHESAPEAKE
UTILITIES CORPORATION
CPK
LISTED
NYSE
NEW YORK STOCK EXCHANGE

Market Capitalization
Increased Performance is Driving Increased Value

18% Annual Growth In Market Capitalization

Market Capitalization has doubled in less than five years



Current Market Capitalization of $1.519 billion

CPK Stock Price of $92.64 per share as of April 30, 2019

<u>$10,000 invested</u> in CPK as of January 1, 2014 would have a <u>value of $25,700</u> with dividends reinvested through April 30, 2019

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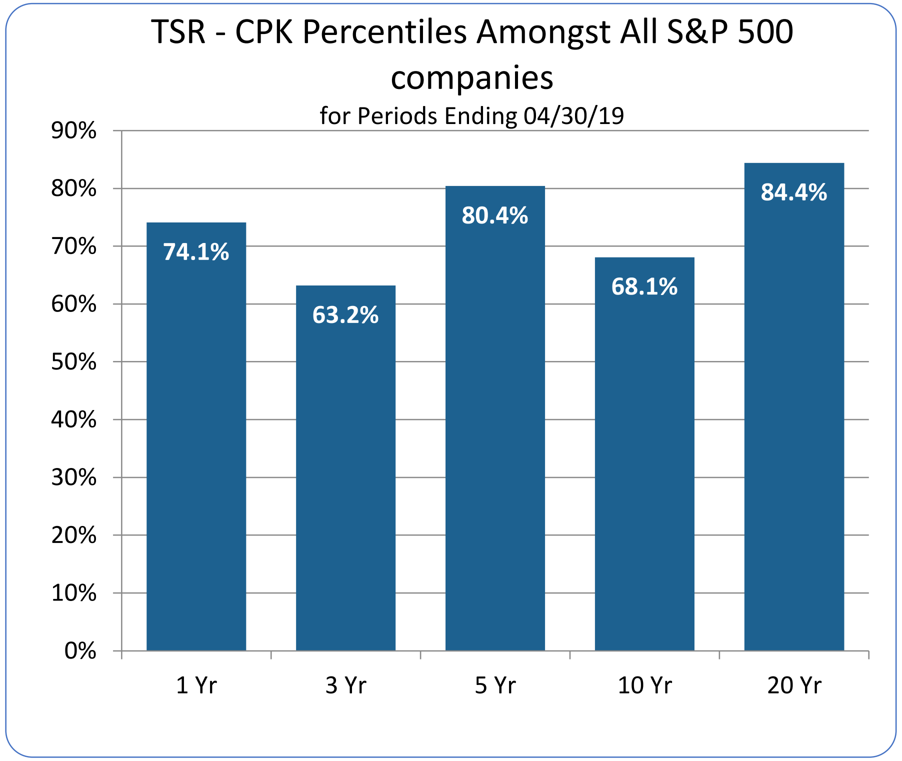
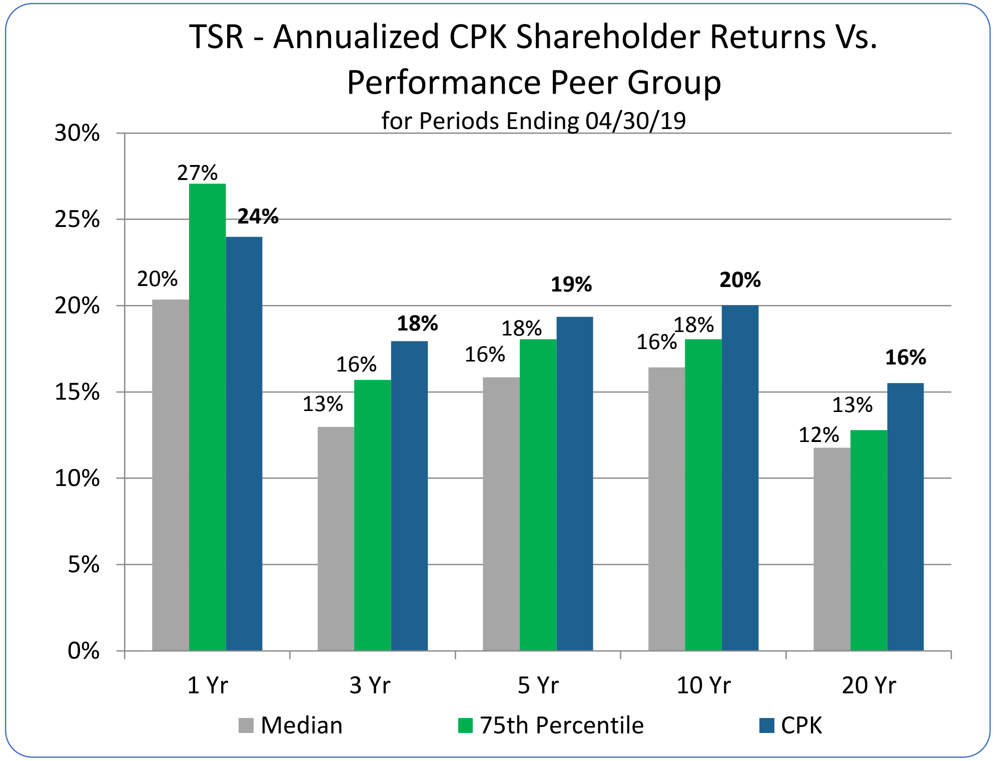
Total Shareholder Return (TSR)

Comparison to Broader Market – S&P 500 Companies and Peer Group Comparison





Chesapeake is driven to increase shareholder value….

Our compound annual return has exceeded 16% for all periods shown through April 30, 2019. Chesapeake exceeded the peer group 75th percentile over the long term.

Source: Bloomberg

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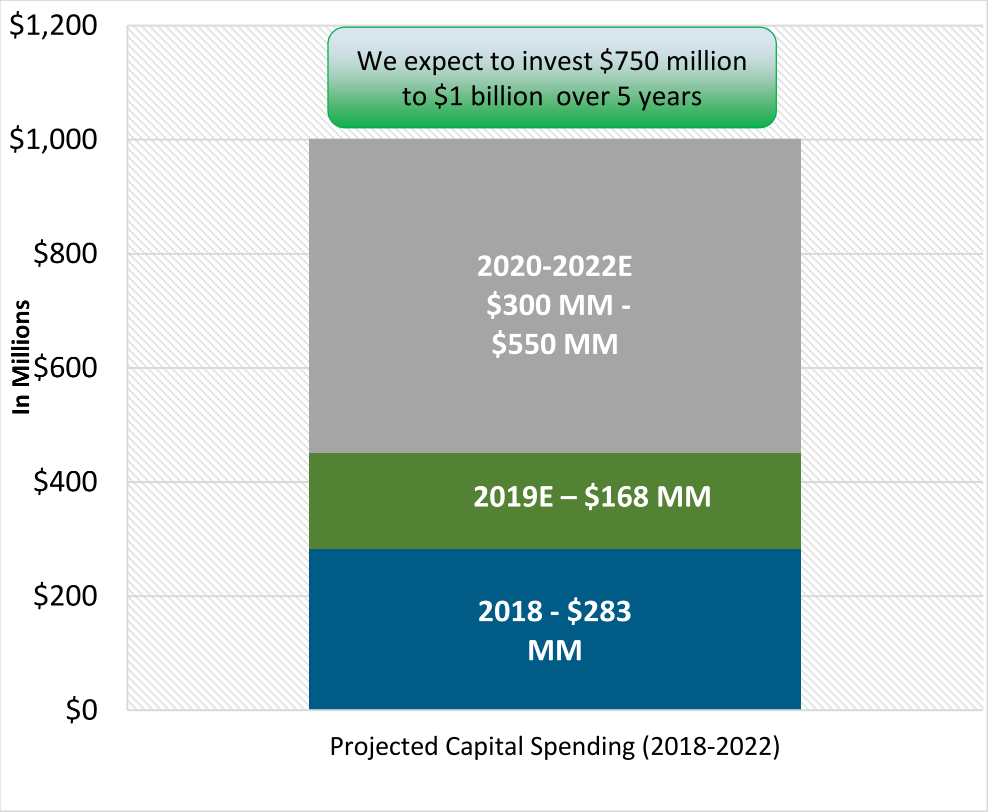
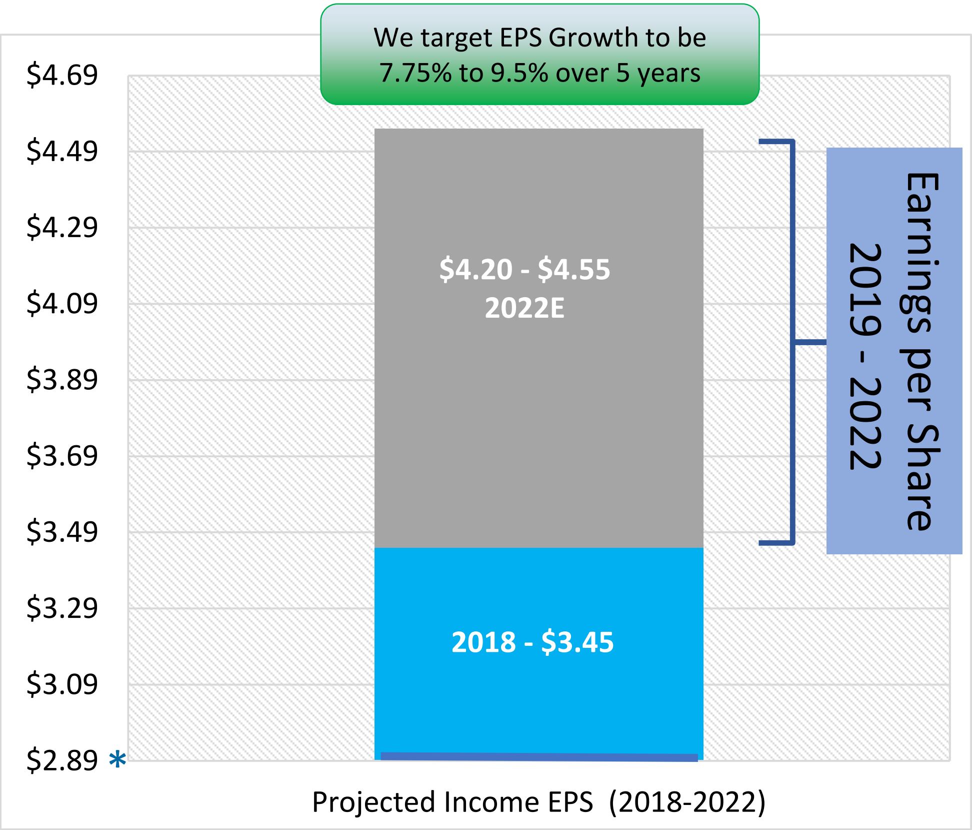
Chesapeake Utilities Corporation

Expect Growth Well Above Industry Average

Capital Expenditures



Earnings per Share



** 2017 Adjusted Non-GAAP EPS of $2.89 (Excludes TCJA)*

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A Strong Foundation for Growth: Track Record. Energized Team. Financial Discipline.

A Strong Foundation for Growth

Chesapeake Utilities' solid track record, driven by our strong aspiration for growth and commitment to care for our employees, customers, investors and communities we serve.

The key to our success is our employees' creative talent, relentless pursuit of better solutions and unwavering commitment to serve our customers with clean, affordable and reliable energy.

We will selectively, and with our customary discipline, seek to develop growth projects that compliment our existing portfolio, provide rapid earnings accretion, and generate target returns.

Chesapeake Utilities is well positioned to continue to build on its strong foundation and deliver exceptional service to our customers and industry leading results for our shareholders.

Financial Objectives in Support of Shareholder Value

Investing $750 MM to $1 Billion in capital through 2022

Generate EPS CAGR of 7.75% to 9.50% through 2022

Target 11.0% Return on equity or higher

Sustain dividend growth supported by earnings growth

Any Questions?

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Thank You!

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Appendices

Chesapeake Utilities' Energy Delivery Systems

Regulated Energy

79%

Natural Gas Transmission
Delaware, Maryland, Pennsylvania, Florida, Ohio

Natural Gas Distribution
Delaware, Maryland, Florida

Electric Distribution
Florida

Unregulated Energy

21%

Mobile CNG Temporary Services and Combined Heat & Power
Florida and Southeastern United States

Natural Gas Marketing
Delaware, Maryland, Florida and Pennsylvania

Propane Distribution and AutoGas
Delaware, Maryland, Pennsylvania, Virginia, Florida

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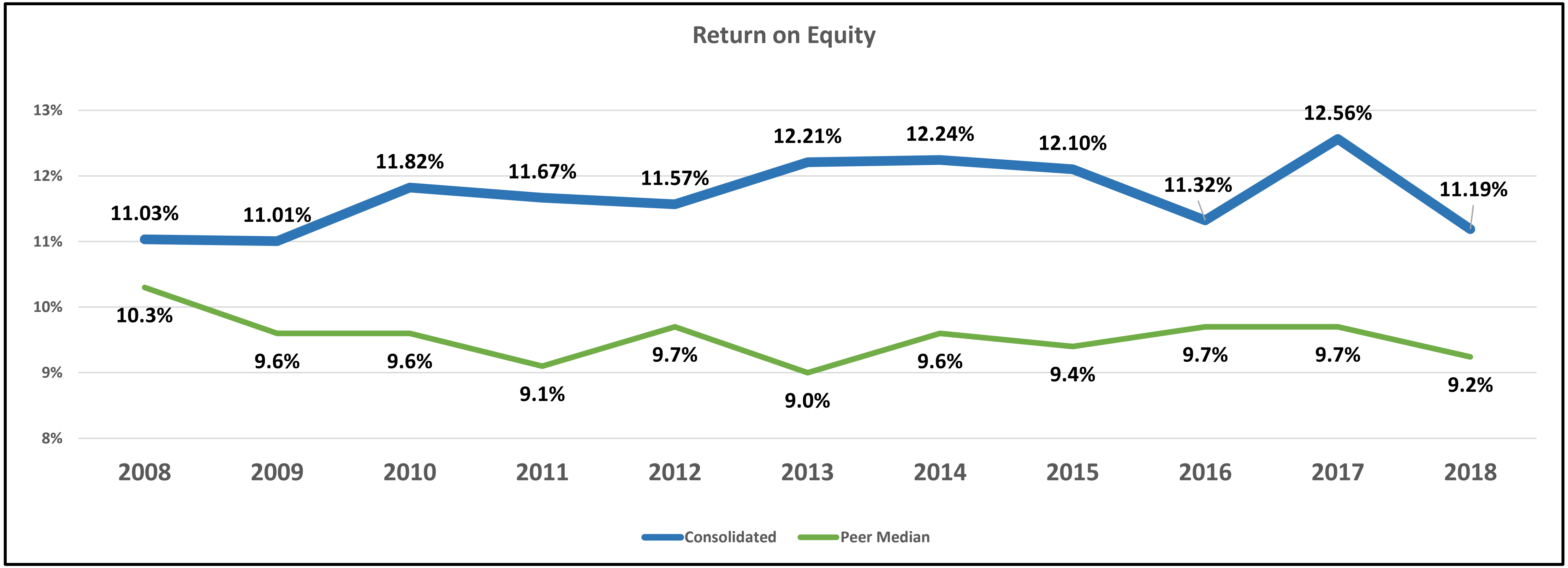
2018 Financial Highlights

- **Net income of $56.6 million of $**3.45 per share,
  - Compared to $58.1 million $3.55 per share in 2017; which included an $0.87 one-time gain from Tax Cuts and Jobs Act ("TCJA").
  - Generated increased per share income for all but $0.10 of the TCJA gain.
- **Operating income** was a $95 million compared to $87 million in 2017.
- **Capital expenditures** were a record $283 million; investing 30% of total capitalization.
- **Return on Equity** of 11.2% in 2018. We have generated a ROE above 11% in each of the past five years.
- **Annualized Dividend** increased 13.8% to $1.48 per share.
- **Total Shareholder Return** was 24% for the year ended April 30, 2019.
  - Investors have earned 16% annually or greater on their Chesapeake Utilities' investment for all periods ended April 30, 2019

Delivering Consistent and Higher Returns

Return on Equity



Chesapeake Utilities has delivered top quartile ROEs over the long-term.
Our return on equity has been driven by our (i) innovative approach to cultivate, develop and consummate growth projects and initiatives, and (ii) generating higher returns from our unregulated energy businesses.

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Reconciliation of First Quarter Results

Key Variances 2019 versus 2018

(in thousands except per share data)	Pre-Tax Income	Net Income	Earnings Per Share
First Quarter of 2018 Reported Results	**$ 36,810**	**$ 26,855**	**$ 1.64**
Adjusting for Unusual Items			
Net impact of PESCO's MTM activity	(5,591)	(4,088)	(0.24)
Impact of weather on customer consumption	(2,523)	(1,891)	(0.12)
2018 retained tax savings for certain Florida natural gas operations	1,321	990	0.06
	(6,793)	**(4,989)**	**(0.30)**
Increased (Decreased) Gross Margin:			
Absence of the 2018 Bomb Cyclone and capacity constraint costs for PESCO	5,545	4,157	0.25
Eastern Shore and Peninsula Pipeline service expansions	4,266	3,198	0.19
Margin contributions from Marlin and Ohl acquisitions (assets acquired in December 2018)	2,805	2,103	0.13
Natural gas distribution - customer growth (excluding expansions)	1,451	1,088	0.06
Higher propane retail margins per gallon	1,259	944	0.06
Unregulated Energy customers' consumption growth	879	659	0.04
Aspire Energy rate increases	779	584	0.04
Other margin for PESCO operations	731	548	0.03
Natural gas distribution - change in customer consumption (non-weather)	(485)	(364)	(0.02)
Lower wholesale propane margins and sales	(453)	(340)	(0.02)
Conversion of Sandpiper customers to natural gas	382	287	0.02
Florida GRIP	223	167	0.01
	17,382	**13,031**	**0.79**
Increased Other Operating Expenses	(6,484)	(4,860)	(0.29)
Interest charges	(2,046)	(1,534)	(0.09)
Changes in effective tax rate	-	768	0.05
Net other changes	(631)	(607)	(0.06)
First Quarter of 2019 Reported Results	**$ 38,238**	**$ 28,664**	**$ 1.74**

Significant margin growth drives strong first quarter performance

- *Eastern Shore and Peninsula Pipeline expansion projects*
- *Acquisitions of Marlin and Ohl assets*
- *Organic growth in natural gas distribution and Aspire*
- *Regulatory initiatives in Florida*
- *Higher retail margins per gallon in the propane business*

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