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Second Quarter Earnings Conference Call

Friday August 10, 2018

Dover, DE

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 2017 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. 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: the timing related to mark-to-market accounting and the impact of non-recurring separation expenses associated with a former executive.

Second Quarter Financial and Operating Highlights

Growth in Earnings and Dividends Continues to be Strong

- **Continued superior earnings and dividend growth**
  - 2nd quarter net income rose 5.6 percent
  - Year-to-date net income rose 32 percent
  - Dividend increased by 13.8 percent in May

- **Key earnings growth drivers so far during 2018**
  - Natural gas transmission – system expansions and ESNG settled rates
  - Gas and electric distribution – customer growth, increased sales and safety/reliability programs
  - More normal weather so far in 2018 compared to 2017
  - Growth from propane operations and Aspire Energy of Ohio
  - Lower Federal income tax rate impact

- **Capital spending/major projects proceeding as planned**
  - Northwest Florida Pipeline expansion - placed into service in 2nd quarter
  - Eastern Shore's Pipeline expansion – on track for completion and margin contribution in 2018
  - CapEx 2018 forecast increased by $34 million given accelerated spending on projects

Consolidated Financial Results

Second Quarter and YTD Performance

For the periods ended June 30,
(in thousands except per share amounts)

	Second Quarter		Year-to-Date	
	2018	2017	2018	2017
Operating Income				
Regulated Energy segment	$ 14,304	$ 14,086	$ 41,015	$ 37,481
Unregulated Energy segment	490	2	14,174	11,577
Other businesses and eliminations	(1,546)	(27)	(1,535)	102
Total Operating Income	13,248	14,061	53,654	49,160
Other Expense, net	(262)	(1,002)	(194)	(1,703)
Interest Charges	3,881	3,073	7,545	5,811
Income Before Taxes	9,105	9,986	45,915	41,646
Income Taxes	2,718	3,940	12,674	16,456
Net Income	**$ 6,387**	**$ 6,046**	**$ 33,241**	**$ 25,190**
Diluted Earnings Per Share	**$0.39**	**$0.37**	**$2.03**	**$1.54**

2018 Year-to-date EPS Increased $0.49 or 31.8% compared to 2017 Year-to-date

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TOP WORK PLACES

Reconciliation of Second Quarter Results

Key variances for the three months ended June 30, 2018 vs. 2017 included:

(in thousands except per share data)	Pre-Tax Income	Net Income	Diluted Earnings Per Share
Three Months Ended June 30, 2017 Reported Results	**$ 9,986**	**$ 6,046**	**$ 0.37**
One-time severance and other related costs	(1,548)	(1,421)	(0.09)
Absence of Xeron expenses, including wind-down expenses	173	122	0.01
	(1,375)	(1,299)	$ (0.08)
Increased (Decreased) Gross Margins:			
Regulated Distribution & Transmission	6,250	4,384	0.27
Pass through of lower tax rate for regulated businesses	(2,284)	(1,602)	(0.10)
Return to more normal weather	1,108	778	0.05
Nonrecurring margin at PESCO	1,092	766	0.05
Incremental margin from PESCO operations	592	415	0.03
Unregulated Energy Growth, excluding PESCO	503	353	0.02
	7,261	5,094	0.32
Increased Other Operating Expenses	(5,924)	(4,156)	(0.26)
Income taxes including TCJA impact from decreased effective tax rate	-	1,295	0.08
Interest Charges and Net Other Changes	(843)	(593)	(0.04)
Three months ended June 30, 2018 Reported Results	**$ 9,105**	**$ 6,387**	**$ 0.39**

Key Regulated Energy Segment Margin Variances:
- Eastern Shore settled rates
  - $2.4MM
- Natural gas growth and expansion
  - $3.2MM
- Gas and Electric reliability program
  - $658K
- Margin reduction from pass through of TCJA offset by lower income taxes

Key Unregulated Energy Segment Margin Variances:
- Propane and Aspire Energy margin growth and other growth factors
  - $503K

Other Factors:
- Higher operating expenses and interest charges related to growth
  - $6.7MM
- TCJA Impact:
  - decreased effective tax rate:
  - 29.9% Q2 2018 vs. 39.5% Q22017
  - $1.3MM or $0.08 per share
- Impact of one-time severance and absence of Xeron expenses - $1.4MM

Key Variances – Other Operating Expenses

For the periods ended June 30, 2018

	Three Months Ended		Six Months Ended	
in thousands	$	Pct. Change	$	Pct. Change
2017 Operating Expenses *	$ 33,598		$ 70,178	
Increase in 2018 Other Operating Expenses **	$ 5,118	15.23%	$ 5,733	8.17%
Less Expenses attributable to specific growth and performance				
Increase attributable to ESNG growth, etc.	(1,124)	-3.35%	(843)	-1.20%
Increase attributable to higher operating expenses for PESCO	(764)	-2.27%	(1,715)	-2.44%
Higher Incentive compensation costs given performance	(811)	-2.41%	(1,187)	-1.69%
Remaining operating expense increase	$ 2,419	7.20%	$ 1,988	2.83%

* Excluding depreciation, amortization, and property taxes.

** Excluding nonrecurring separation costs and depreciation, amortization and property taxes

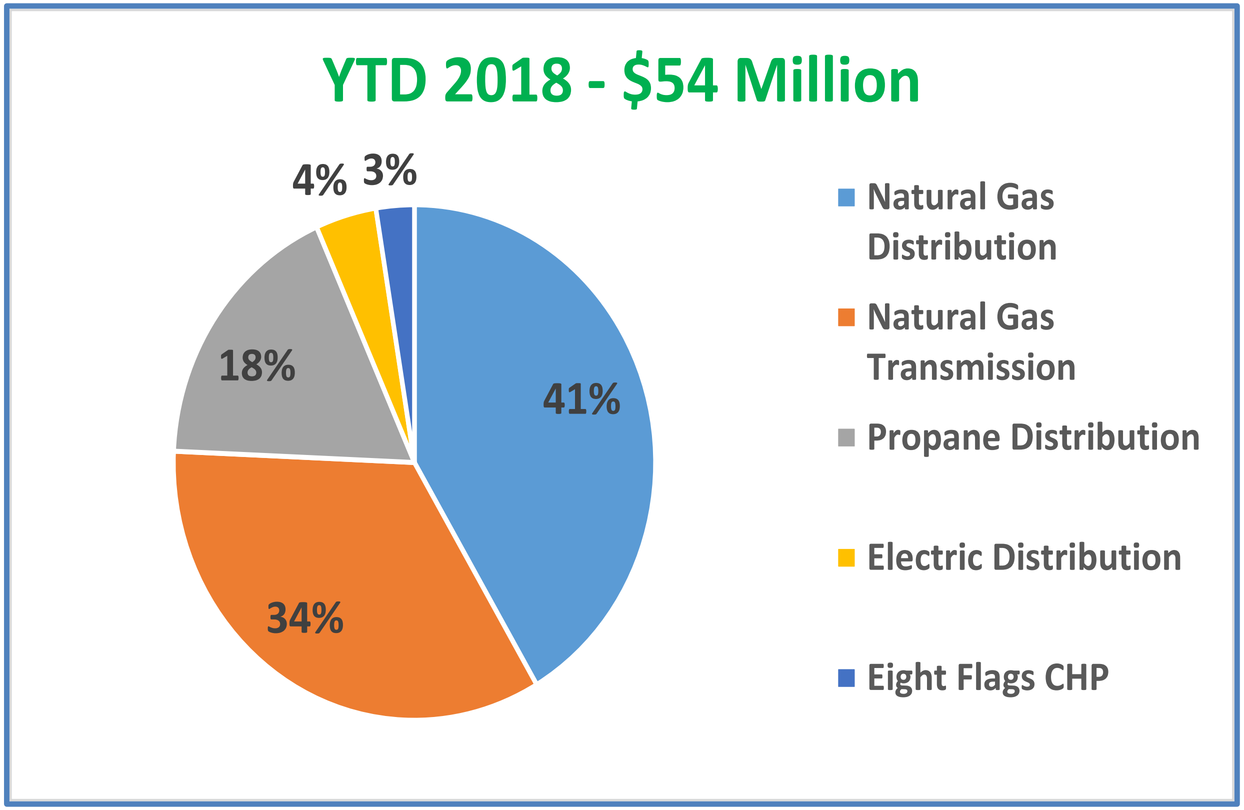
Status of Tax Rate Reserves for Refunds to Rate Payers

	YTD Refunds and Reserves	Status
FERC (ESNG)	$1.7MM	Refunded $902K YTD
Delaware (DE - DNG)	$641K	Filed PSC Reviewing Rates
Maryland (DNG- Sandpiper)	$910K	$783K Refunded in July 2018
Florida (FPU)	$2.2MM	Natural Gas and Electric have both filed

YTD TCJA Impact

(in thousands except per share)	Six Months Ended June 30, 2018		
TCJA Impact	Pre-tax Income	Net Income	Earnings Per Share
Income taxes - decreased effective tax rate	$ -	$ 5,262	$ 0.32
Refunds and reserves for future refunds to ratepayers	(5,421)	(3,925)	(0.24)
Net TCJA Impact	$ (5,421)	$ 1,337	$ 0.08

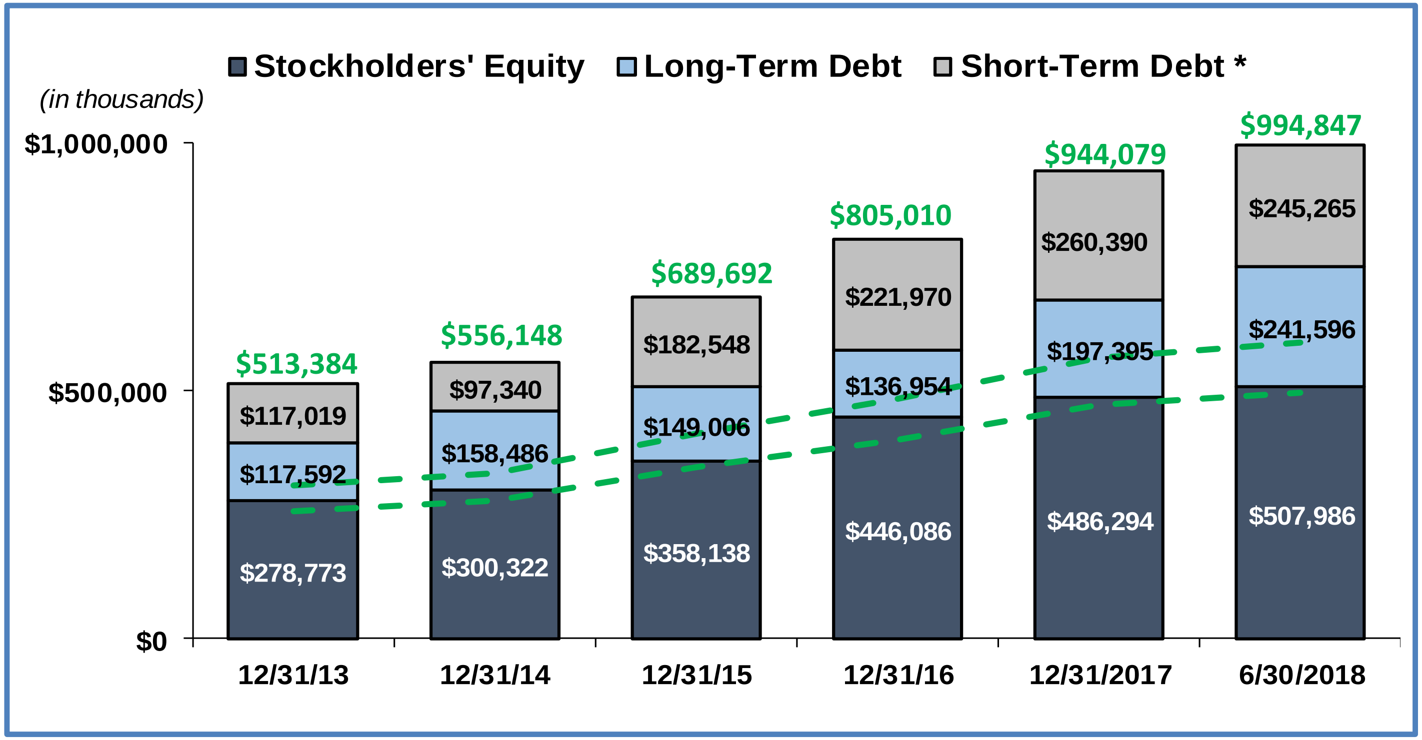
Sources of Operating Income by Energy Business



Chesapeake has derived seventy-nine percent of year-to-date operating income from natural gas distribution and transmission and electric distribution.
The balance of operating income was provided by propane distribution and Eight Flags.

Strong Balance Sheet to Support Future Growth

Total Capitalization has Nearly Doubled in Five Years



Equity/Permanent Capitalization	70.3%	65.5%	70.6%	76.5%	71.1%	67.8%
Equity/Total Capitalization	54.3%	54.0%	51.9%	55.4%	51.5%	51.1%

** Short-Term Debt includes Current Portion of Long-Term Debt*

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

Stockholders' Equity of $508 million as of 6/30/18

As of 6/30/18
ST Debt Cost 2.98%
LT Debt Cost 4.29%

November 2018
$50 million LTD Private Placement 3.58% - 20 Years

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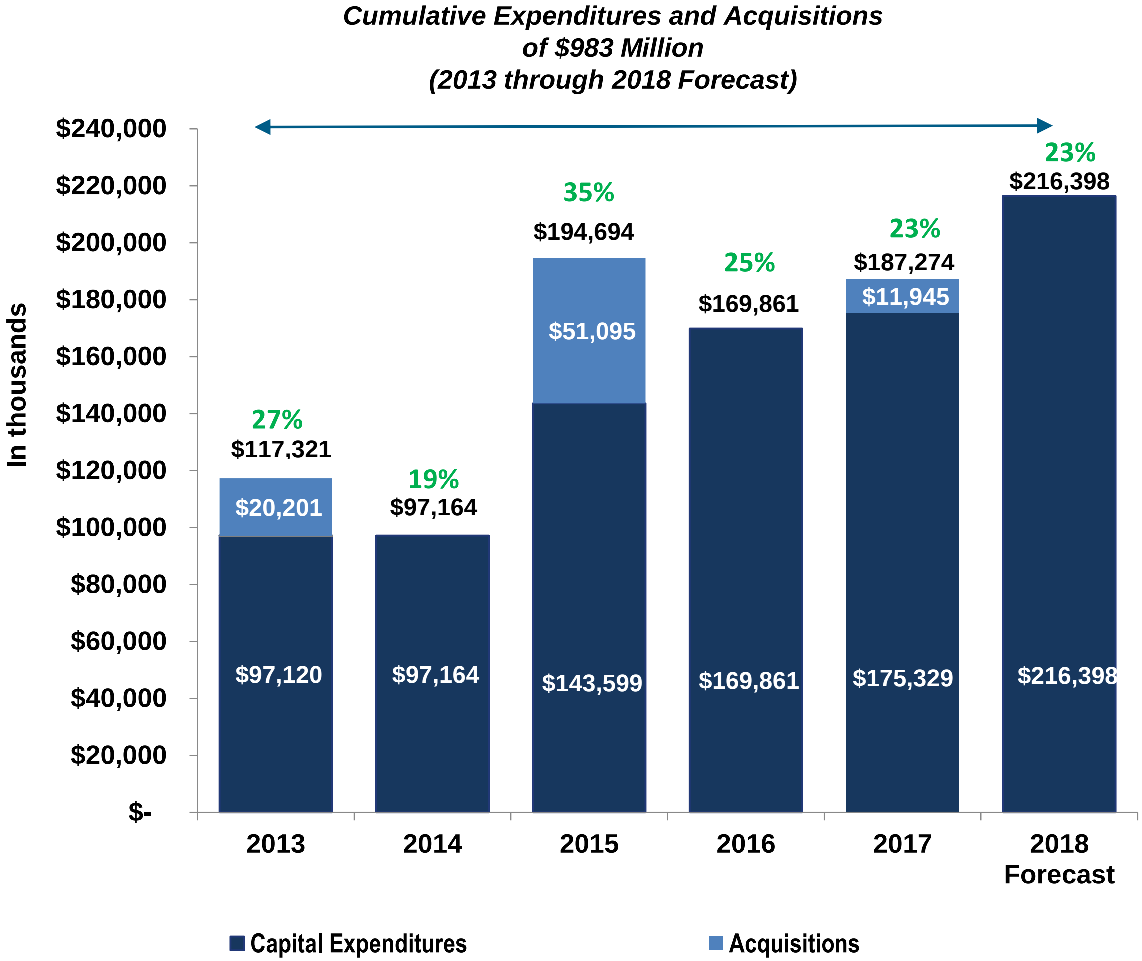
Continuing to Build for the Future

Capital Expenditures

Percentages Shown - CapEx/Capitalization



Capital Expenditures have averaged 25% of Total Capitalization over six years. The investments we have made more than doubled our Total Capitalization over this period.

$ thousands	2018 Forecasted Capital Expenditures
$110,813	Natural Gas Transmission
74,524	Natural Gas and Electric Distribution
20,772	Unregulated Energy
10,289	Corporate / Other
$216,398	Total Forecasted Capital Expenditures

Capital spending 2018 forecast increased from $182 million to $216 million based on additional profitable opportunities.

Capital expenditures for the six months ended June 30, 2018 were $135 million.

Major Projects and Initiatives

Expected to Produce $32.7 Million in Incremental Margin (2017 vs. 2019)

(in thousands)	Gross Margin for the Period (1)						
	Quarter Ended June 30, 2018	Quarter Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017	Fiscal 2017	Fiscal 2018 Estimate	Fiscal 2019 Estimate
Florida GRIP	$ 3,647	$ 3,341	$ 7,211	$ 6,609	$ 13,454	$ 14,287	$ 14,370
Eastern Shore Rate Case/ Settled Rates (1)	2,365	-	5,095	-	3,693	9,800	9,800
Florida Electric Reliability/Modernization Program (1)	352	-	767	-	94	1,558	1,558
New Smyrna Beach, Florida Project (1)	352	-	704	-	235	1,409	1,409
2017 Eastern Shore System Expansion Project (1)	859	-	1,995	-	433	8,101	15,799
Northwest Florida Expansion Project (1)	870	-	870	-	-	3,484	6,500
(Palm Beach County) Belvedere, Florida Project (1)	-	-	-	-	-	635	1,131
Total	$ 8,445	$ 3,341	$ 16,642	$ 6,609	$ 17,909	$ 39,274	$ 50,567

$5,104

10,033

$21,365

$11,293

(1) *Gross margin amounts included in this table have not been adjusted to reflect the impact of TCJA.*
Any refunds and/or rate reductions implemented in the Company's regulated businesses will be offset by lower Federal income tax due to TCJA.

Eastern Shore Natural Gas

System Expansion Project Details

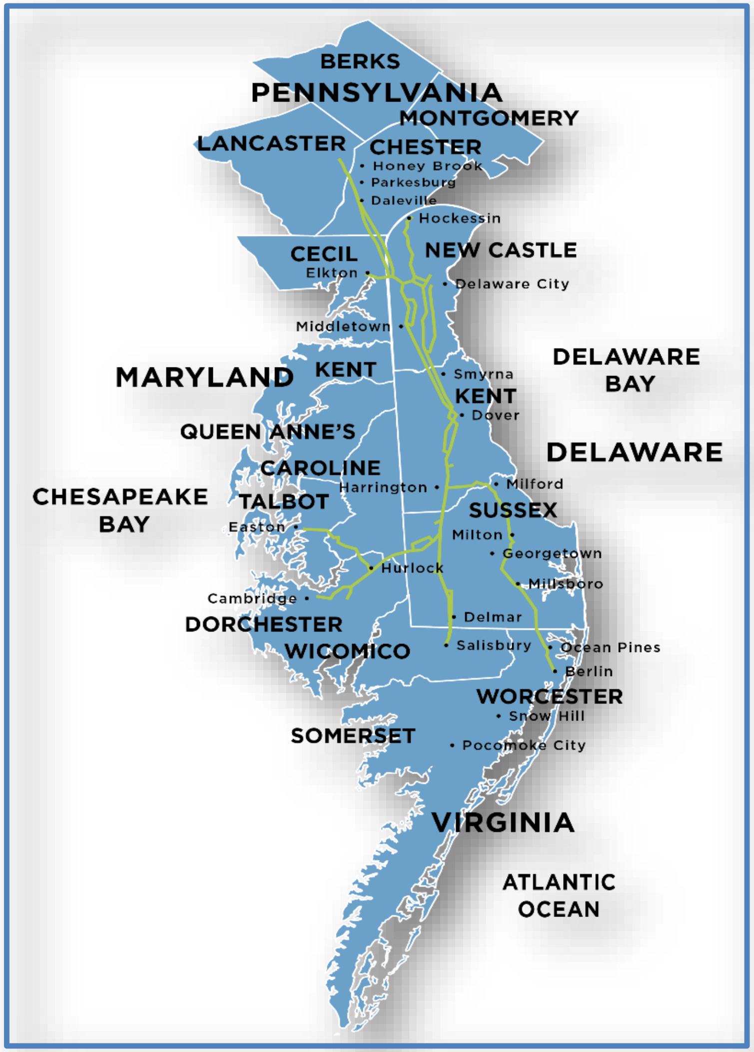
Construction Period:
- Remaining segments to be largely completed and begin generating margin during the second half of 2018 (minor level of spending in 2019)

Capital Investment:
- Total project - $117M
- Project investment to date - $90M
- Remaining 2018 spending to complete - $25M

Annual Estimated Margin:
- $15.8M in the first full year of operation (2019)
- TETCO upgrade in service December 2017
- Incremental margin 2018Q2 - $859,000
- Incremental margin 2018YTD - $2.0M

Project Description:
- 23 miles of pipeline looping in PA, DE, & MD
- 17 miles of new mainline extension
- Upgrades to the TETCO interconnect
- 3,750 hp new compression-Daleville Compressor Station
- Two (2) new pressure control stations

Total Capacity Increase:
- 61,162 dts/d on Eastern Shore's pipeline system – 26% increase in capacity



Florida Natural Gas Projects

Florida Pipeline Expansions

Northwest Pipeline Expansion:

- ***Project complete - in service May 2018***
- **$35.9M capital investment**
- **38 miles of transmission and 5 miles of distribution pipeline**
  - **Customer commitments of 68,500 dts/d, with total capacity of 80,000 dts/d**
  - **Incremental margin possible from remaining capacity**
- **$6.5M estimated annual gross margin**
- **$870,000 margin in 2018Q2**

New Smyrna Pipeline Expansion:

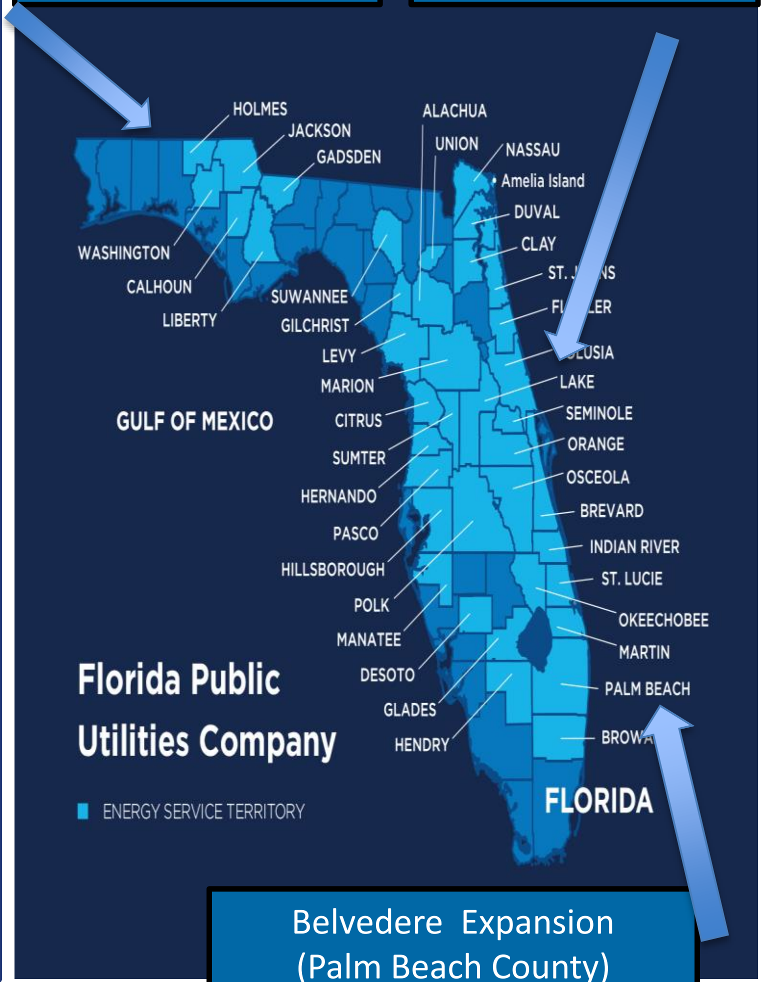
- ***Partially in service in 2017 - fully in-service September 2018***
- **$9.1M capital investment**
- **Transmission pipeline (14 miles)**
- **Gross margin 2018Q2 $352,000 and 2018 YTD $704,000**
- **$1.4M estimated annual gross margin**

Belvedere Pipeline Expansion:

- ***In service end of 3Q2018***
- **$3.8M capital investment**
- **$1.1M estimated annual gross margin**
- **Transmission pipeline (2 miles)**

Northwest Pipeline Expansion Pensacola Region

New Smyrna Expansion (Volusia County)



Belvedere Expansion (Palm Beach County)

Natural Gas Distribution Growth

Additional Margin for the Periods Ended June 30th

	Three Months Ended		Six Months Ended	
In thousands	June 30, 2018	Pct	June 30, 2018	Pct
Residential	$ 502	32%	$ 1,719	51%
Commercial and Industrial				
excluding new service in Northwest Florida	690	44%	1,630	49%
New service in Northwest Florida	276	18%	305	9%
Other - unbilled revenue	107	7%	(312)	-9%
Total growth	$ 1,575	100%	$ 3,342	100%

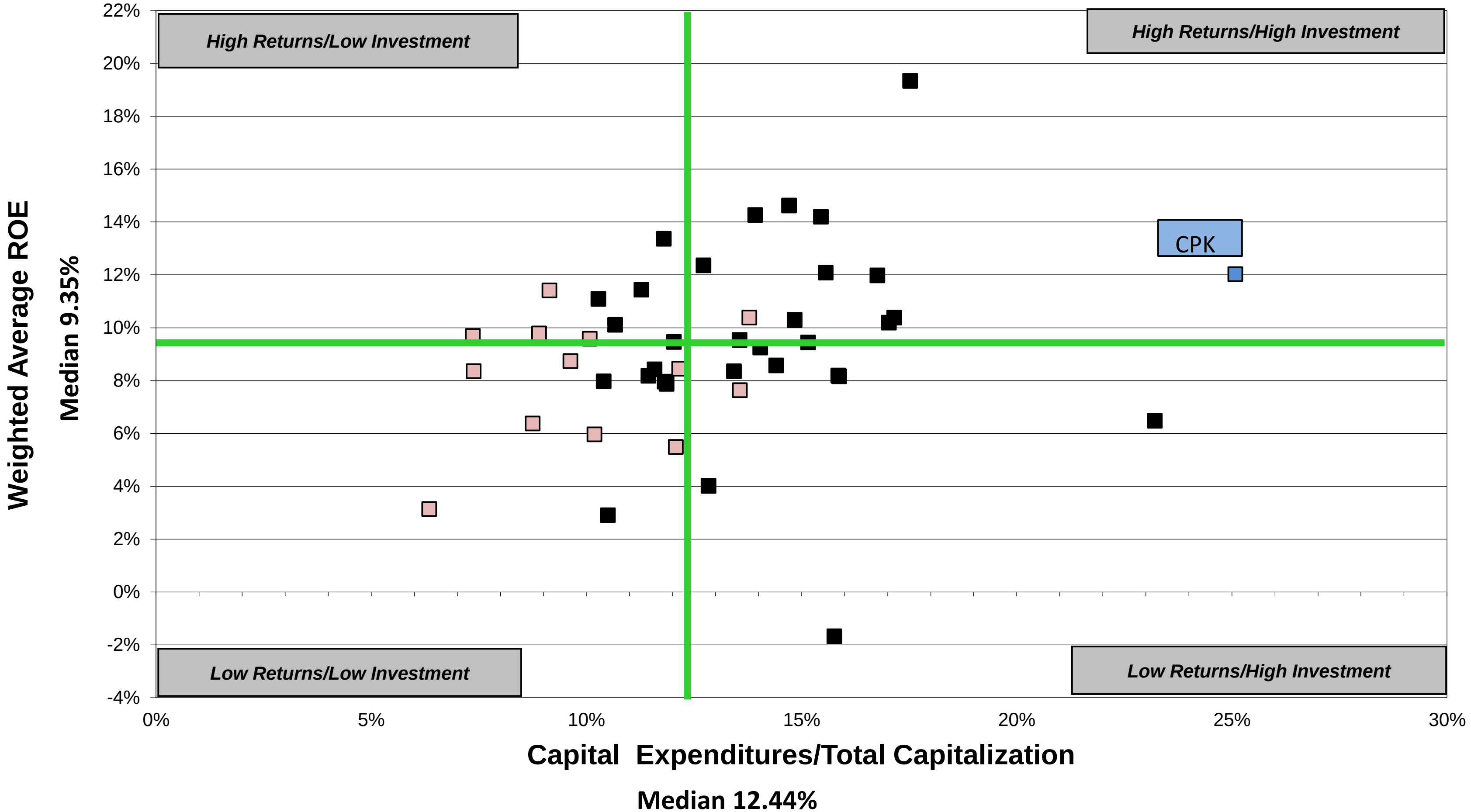
Additional Gross Margin from Growth:

- 3.8% increase in the number of residential customers, as well as growth in commercial and industrial costumers on the Delmarva Peninsula.
- Residential customer growth on the Delmarva Peninsula has averaged 3.0% over the past five years.
- Florida natural gas distribution additional margin from growth in all customers classes.
- New Northwest Florida project generated 18 percent of the incremental margin during the quarter.

Performance Quadrant

Peer ROE vs. Capital Expenditures
2015 – 2018 (4/1/15 – 3/31/18)

	Cap Ex	ROE
CPK	24.08%	12.02%
Median	12.44%	9.35%
75th Percentile	15.15%	11.10%



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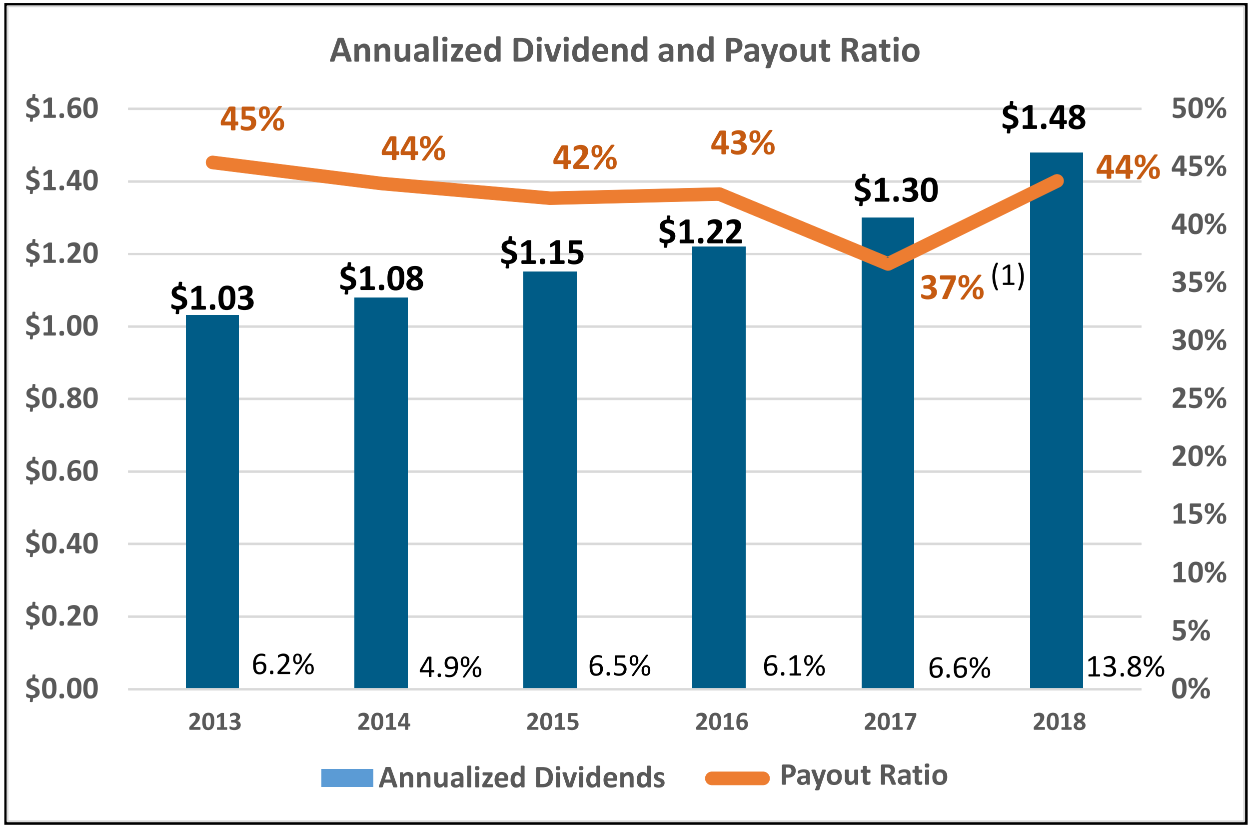
Dividend Growth Continues

Dividend and Dividend Payout Ratio – With Room to Grow



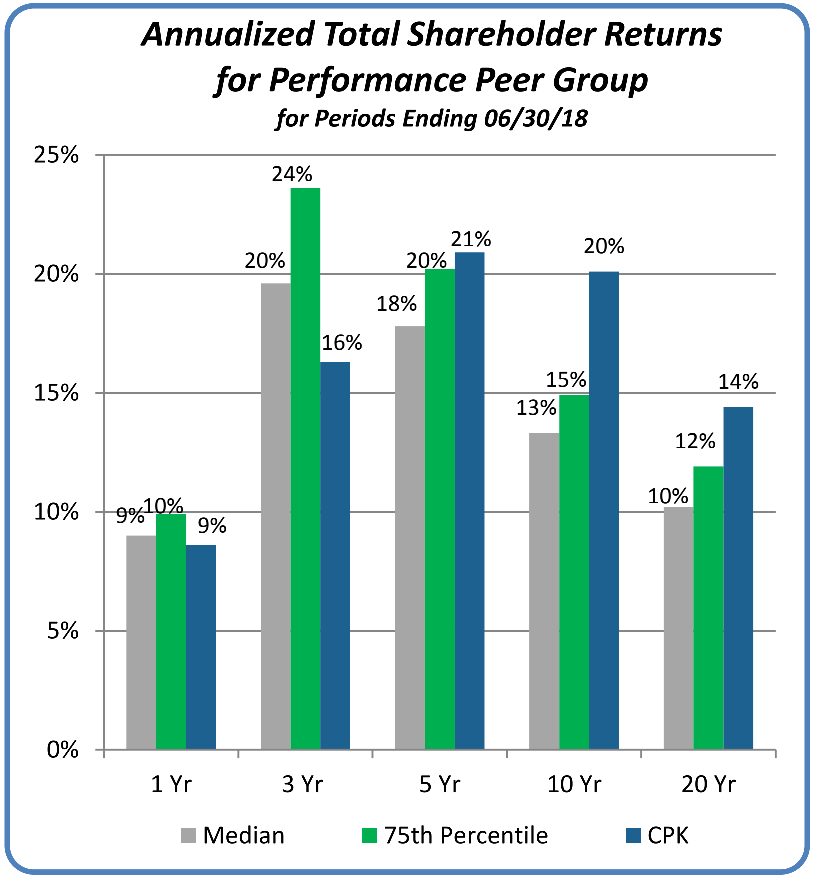
- Chesapeake's five-year annualized dividend growth rate is 7.6 percent – in line with our five-year CAGR in earnings through 2017 of 7.7 percent.
- Our goal remains to be to provide above average growth in dividends, supported by growth in earnings per share, through our continued disciplined approach to investment opportunities.

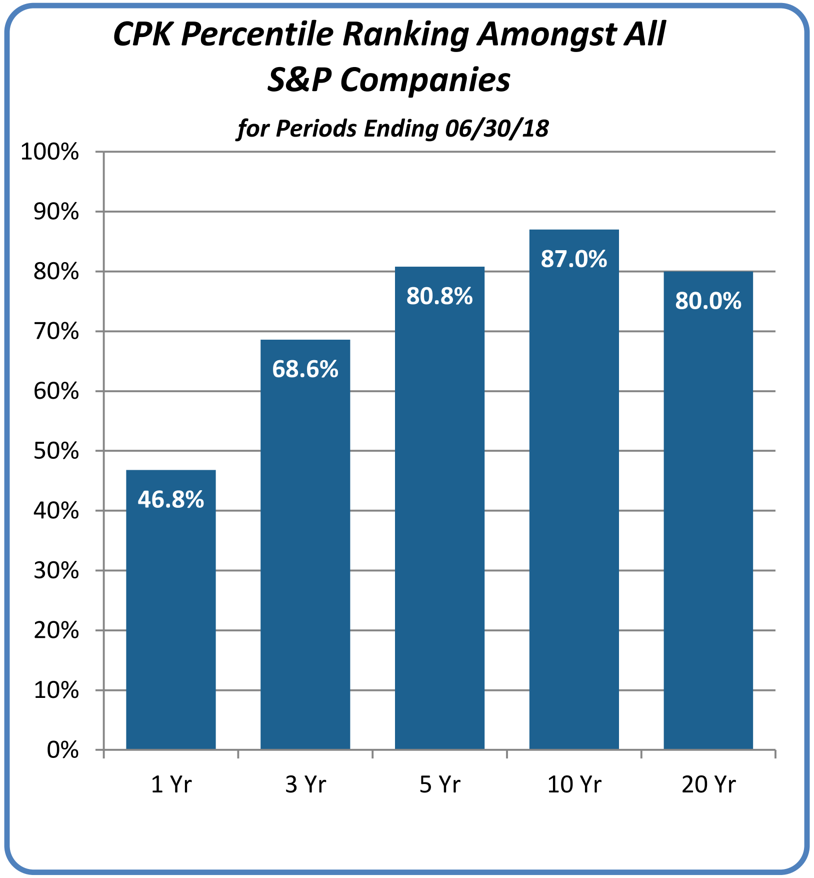
Payout Ratios based on Annualized Dividends compared to Basic Earnings per Share
2018 Payout Ratio based on Annualized Dividend compared to Adjusted 2017 EPS with 17% Growth in 2018

(1) 2017 Payout Ratio based on Adjusted EPS was 45%

Shareholder Return

Comparison to Peers and Broader Market





- *CPK's compound annual return has exceeded 14% for the 3, 5, 10 and 20 year periods ended June 30, 2018.*
- *CPK's total return ranks in the top quartile of all S&P companies for the 5, 10 and 20 year periods ended June 30, 2018.*

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Our Strategy: Produce solid total shareholder return by profitably reinvesting capital to maintain growth in our existing businesses, while deploying incremental capital into related opportunities that leverage our skills and energy expertise.

Our Execution Plan:

- Seek new development projects to serve new customers, provide new services and expand into new service areas.
- Investing in pipeline systems that provides natural gas service to downstream customers such as LDCs, cooperatives, municipalities, industrial end-users, and power plants.
- Pursue renewable projects that serve long-term commercial and industrial customers.
- Investing in propane opportunities to access new markets with significant growth potential.
- Engagement strategies with employees to provide strategic infrastructure for sustainable growth.
  - Investing in our talent with targeted development plans and training
  - Engaging with communities where we work and live
  - Pursue brand excellence through safety awards, top workplace and Chesapeake Cares events

Our Creative Energy and Powerful Team

We seek to identify growth opportunities that we can develop into executable projects which will continue to drive our future earnings growth and increase shareholder value.

We are proud of our track record of identifying strategic opportunities and producing superior total returns driven by earnings and dividend growth.

We are energized by our team, our corporate strategy and execution, our financial and operating performance, and our future growth plans and objectives.

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This is a result of our excellent team and culture that values both capital discipline and entrepreneurship.

We are driven to find innovative ways to serve our customers, while honoring our obligation to operate in a safe and environmentally responsible manner, and to provide investors with a competitive return on their investments with us.

Thank You

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