

A STRONG

foundation

FOR GROWTH

Siebert Williams Shank
West Coast Utilities Conference
March 18-19, 2020

Forward Looking Statements and Other Disclosures

COVID-19 Impact: At this time, we cannot quantify the impact that the COVID-19 virus will have on the economy, and more particularly, on the Company. The gross margin, earnings and capital estimates we have included herein do not reflect any estimates of the potential impact. As we gain further clarity on the disruption to our operations caused by COVID-19, including the impact on our projected gross margin, EPS estimates, timing of capital expenditures, etc., we will update our guidance as necessary.

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 2019 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.

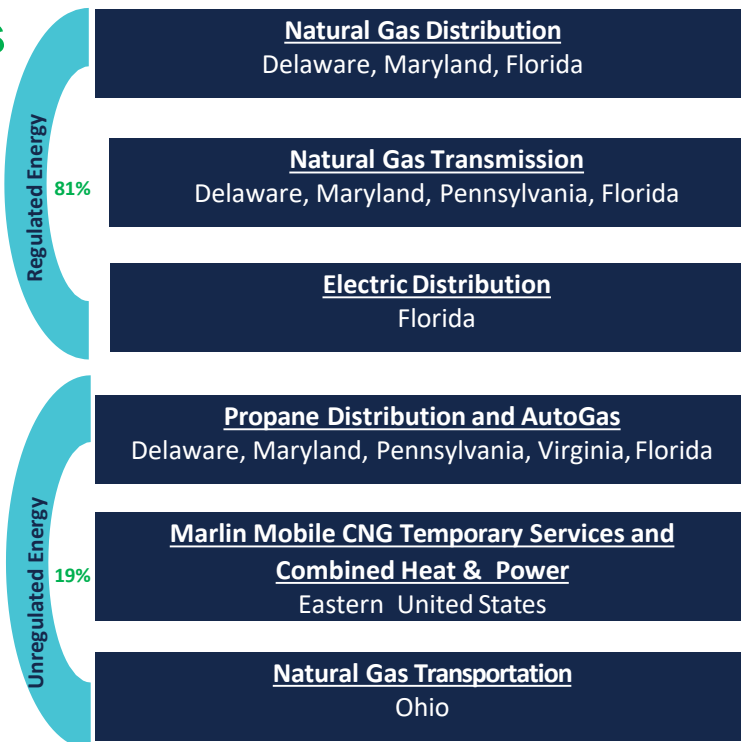
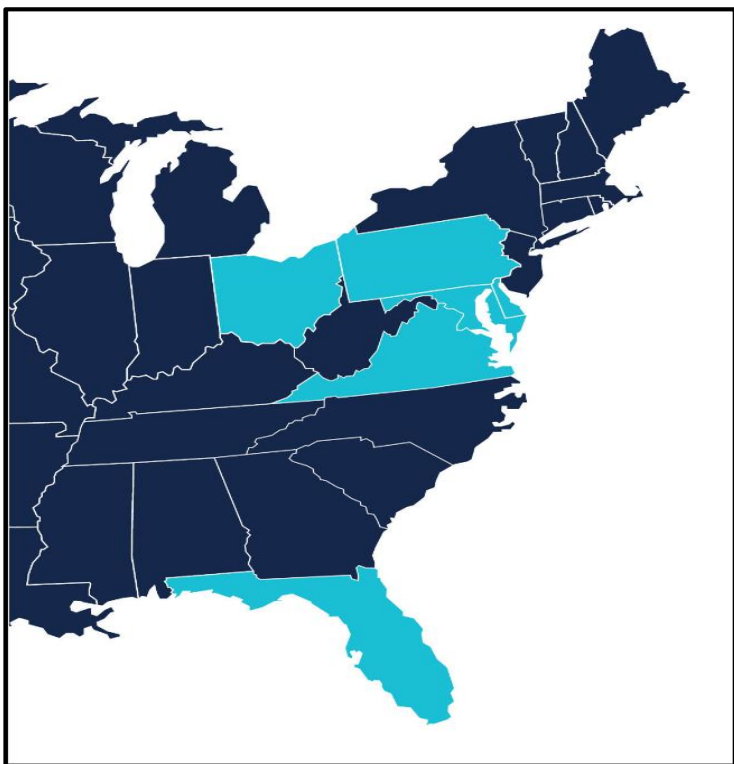
Gross Margin (non-GAAP measure): Gross Margin is determined by deducting the cost of sales from operating revenue. Cost of sales includes the purchased fuel cost for natural gas, electric and propane distribution operations and the cost of labor spent on different revenue-producing activities and excludes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

A STRONG
foundation
FOR GROWTH

Financial Results

Business Overview

Diversified Energy Delivery Business



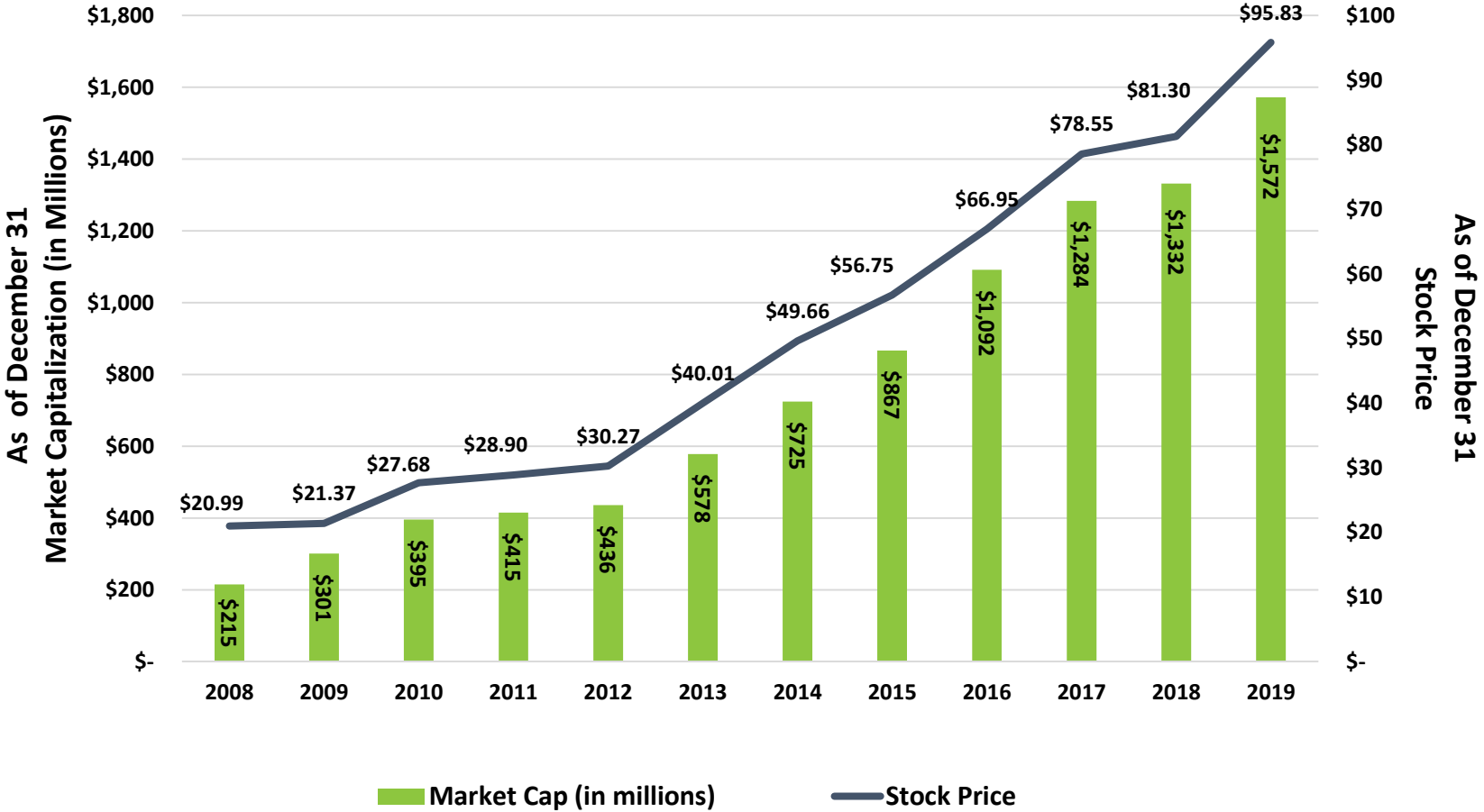
Operating Income from Continuing Operations

For the Year Ended December 31,

(in thousands)	2019	2018	2017	2016	2015
Regulated Energy	\$ 86,584	\$ 79,215	\$ 74,584	\$ 71,515	\$ 62,137
Unregulated Energy	19,939	17,124	14,941	11,732	14,244
Other businesses and eliminations	(236)	(1,496)	205	402	418
Total Operating Income from Continuing Operations	\$ 106,287	\$ 94,843	\$ 89,730	\$ 83,649	\$ 76,799

Market Capitalization

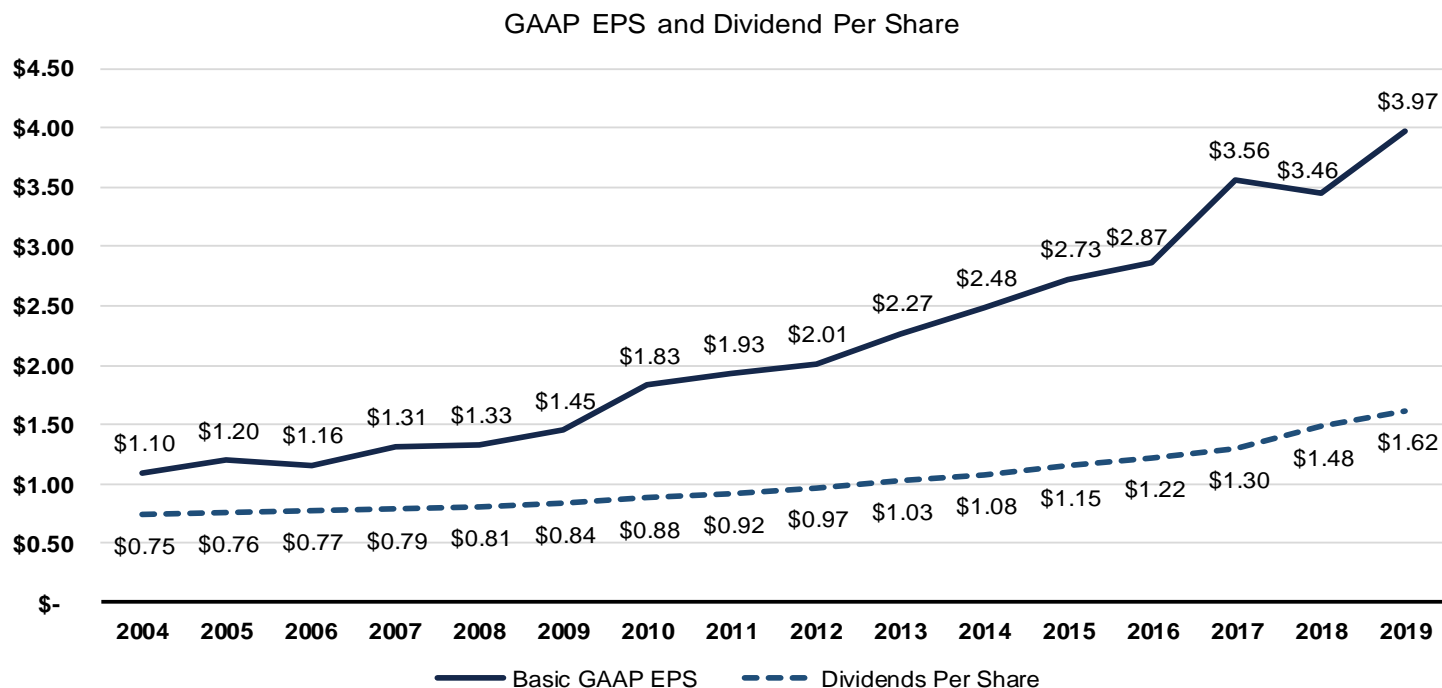
Increased Performance is Driving Increased Value



A STRONG
foundation
 FOR GROWTH

Growth in EPS and Dividends

A Long-Term, Successful Track Record

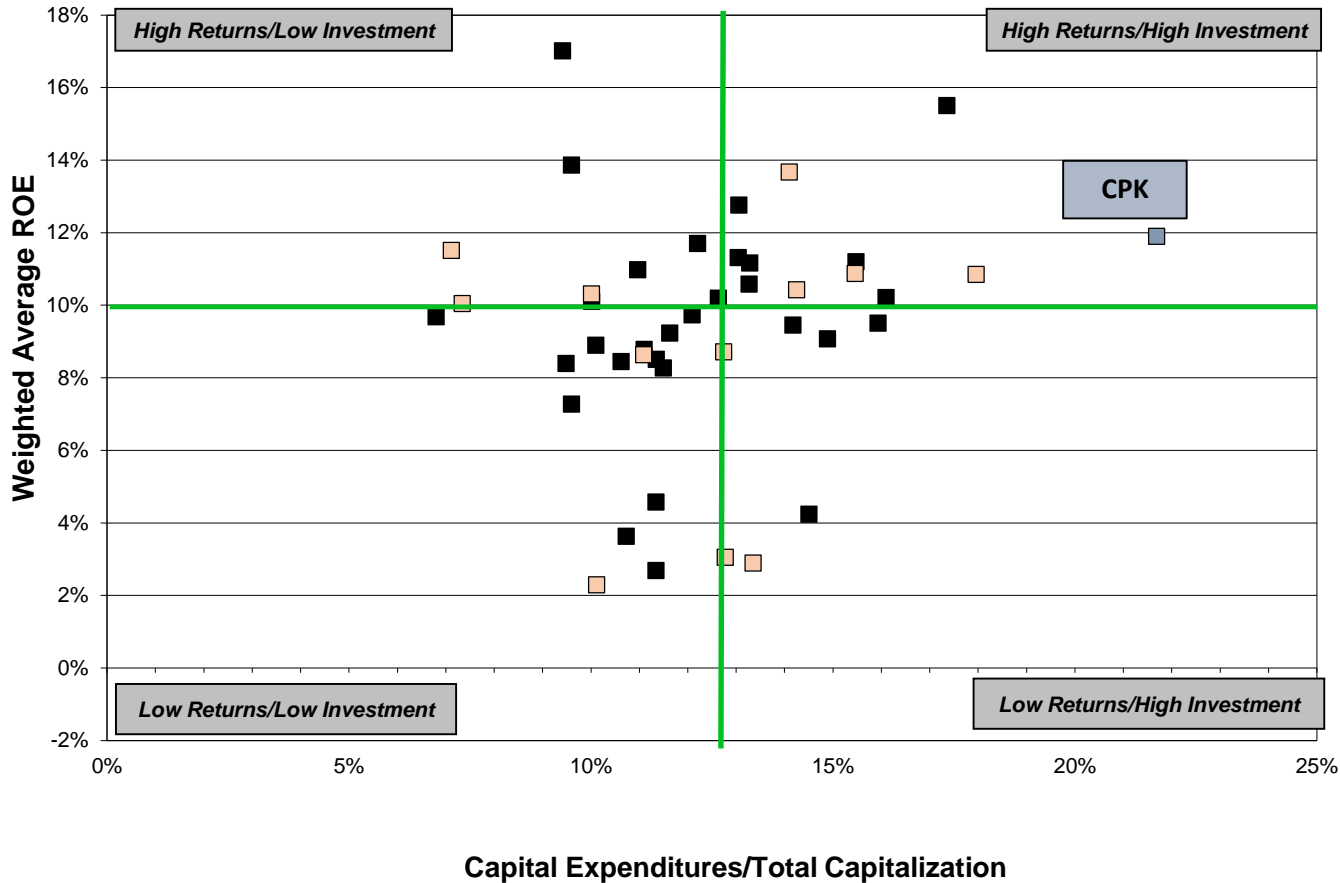


- Seek dividend growth supported by EPS growth
- 2019 Annual GAAP EPS growth of 14.7%
- 2019 Annualized Dividends per share growth of 9.5%

CAGR Growth	2019 (3-yr CAGR)	2019 (5-yr CAGR)	2019 (10-yr CAGR)
Basic GAAP EPS	11.4%	9.9%	10.6%
Dividends Per Share	9.9%	8.5%	6.8%

Capital Projects – High Return / High Investment

Peer ROE vs. Capital Expenditures (Three Year Performance - January 2017 – December 2019)



Chesapeake Utilities Three-Year Performance vs. Peer Group As of 12/31/19			
	CPK	Med	75 th
Cap EX	21.7%	12.8%	14.2%
EPS Growth	11.2%	7.5%	13.5%
ROE	11.9%	10.0%	10.6%
Div. Growth	9.9%	5.8%	7.7%
TSR	14.6%	11.9%	15.2%

- Chesapeake
- CPK Performance Peer Group
- Electric & Combination Groups

A STRONG
foundation
FOR GROWTH

2019 Strategic Accomplishments

A STRONG
foundation
FOR GROWTH

- Engaged, energized Chesapeake team to support growth
- Generated a Return on Equity of 12% (11.3% from continuing operations), while investing \$199 million in capital in 2019

- EPS growth:
(Basic)

	<u>GAAP</u>	<u>Cont. Ops.</u>
1-year	14.7%	7.2%
3- year	11.4%	10.3%
5- year	9.9%	8.5%
10-year	10.6%	9.9%

- 9.5% annualized dividend growth supported by earnings growth
- Exited Energy Marketing business after strategic review generating \$5.4 million after-tax gain
- Completed Ohl and Boulden acquisitions to enhance propane margin and future growth
- Identified new projects/initiatives to position the Company for continued success including Marlin Gas Services, the Del-Mar Energy Pathway pipeline, the Callahan and other Florida and Ohio transmission expansion projects, and the pending Elkton Gas acquisition

Culture of Sustainability

Our businesses embrace the Company's culture of sustainability where progress creates value.

- Conservation program to help customers reduce energy costs and receive energy-saving products and programs
 - Modern pipeline infrastructure with zero miles of cast iron
 - Invested \$144 million in Gas Reliability and Infrastructure Project
- Own and operate Eight Flags, one of the most energy efficient combined heat and power plants (CHP) which displaced reliance on coal
- Own a virtual pipeline, Marlin Gas Service, providing energy solutions to customers across the nation
- Community Gas Systems, an efficient community-based underground infrastructure
- Alternative energy vehicles and fueling stations (e.g., AutoGas and CNG)
- We have replaced millions of gallons of No. 2, 4 and 6 fuel oil , as well as diesel fuel
- LNG and RNG opportunities

Key Projects Driving Growth

2020 – 2022 Strategic Growth Initiatives



Capital Expenditures

2019 and 2020

<i>(dollars in thousands)</i>	Actual for Fiscal	Estimate for Fiscal 2020	
	2019	Low	High
Regulated Energy:			
Natural gas distribution	\$ 62,744	\$ 72,000	\$ 83,000
Natural gas transmission	62,000	83,000	96,000
Electric distribution	5,860	5,000	7,000
Total Regulated Energy	130,604	160,000	186,000
Unregulated Energy:			
Propane distribution (1)	38,347	10,000	11,000
Energy transmission	11,206	6,000	6,000
Other unregulated energy	10,481	6,000	8,000
Total Unregulated Energy	60,034	22,000	25,000
Other:			
Corporate and other businesses	8,348	3,000	4,000
Total 2019 Capital Expenditures	\$ 198,986	\$ 185,000	\$ 215,000

(1) The 2019 expenditures includes \$24.5 million for the acquisition of certain propane operating assets of Boulden completed in December 2019.

We spent just under \$200 million in 2019 and have a robust capital forecast for 2020. We will continue to update this forecast as we move through the year, including any capital deployment delays resulting from the impact of COVID-19.

Major Projects and Initiatives

Increasing Shareholder Value by Continuously Seeking and Developing Projects and Initiatives

<i>in thousands</i>	Gross Margin for the Period			
	Year Ended December 31,		Estimated for Fiscal	
	2018	2019	2020	2021
Expansions:				
2017 Eastern Shore System Expansion - including interim services	\$ 9,103	\$ 16,434	\$ 15,799	\$ 15,799
Northwest Florida Expansion (including related natural gas distribution services)	4,350	6,516	6,500	6,500
Western Palm Beach County, Florida Expansion	54	2,139	5,047	5,227
Del-Mar Energy Pathway - including interim services	-	731	2,512	4,100
Auburndale	-	283	679	679
Callahan Intrastate Pipeline	-	-	3,219	6,400
Guernsey Power Station	-	-	-	1,400
Total Expansions	13,507	26,103	33,756	40,105
Acquisitions:				
Marlin Gas Services	110	5,410	6,400	7,000
Ohl Propane	-	1,200	1,236	1,250
Boulden Acquisition	-	329	4,000	4,200
Elkton Gas Company	-	-	TBD	TBD
Total Acquisitions	110	6,939	11,636	12,450
Regulatory Initiatives:				
Florida GRIP	13,020	13,528	14,858	15,831
Tax benefit retained by certain Florida entities	-	2,740	1,400	1,500
Hurricane Michael regulatory proceeding	-	-	TBD	TBD
Total Regulatory Initiatives	13,020	16,268	16,258	17,331
Total	\$ 26,637	\$ 49,310	\$ 61,650	\$ 69,886
Change		\$ 22,673	\$ 12,340	\$ 8,236

Key 2019 Margin Increase Drivers:

- \$12.6 MM from new pipeline projects
- \$6.8 MM from recent acquisitions
- \$3.2 MM from regulatory initiatives

• We continue to pursue projects that will further enhance our margin growth in 2020 and 2021, and will add to the table as projects are finalized.

• We will continue to update our gross margin estimates as we move through the year, including any margin impacts as a result of COVID-19.

• Margin numbers for Elkton Gas acquisition and Hurricane Michael regulatory proceeding will be added once finalized.

Additions to Table since September 2019:

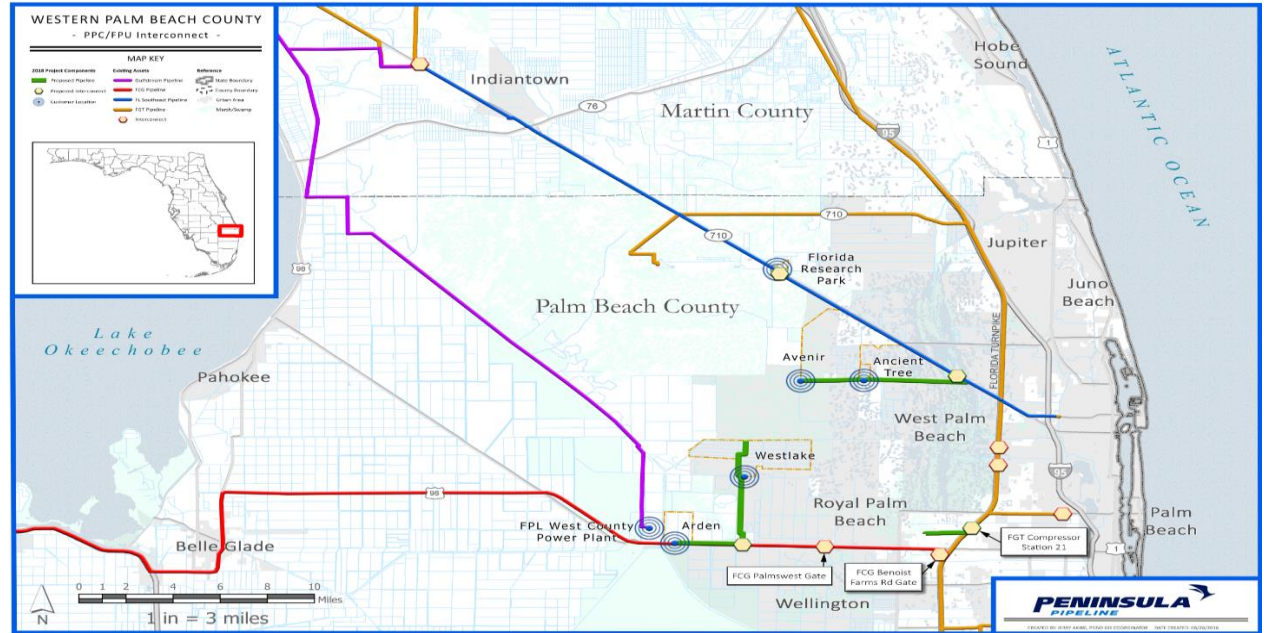
- 2020 additional margin of \$3.0 million
- 2021 now included: \$8.2 million margin

West Palm Beach Expansion

Enhances Reliability and Provides Additional Customer Growth

- \$33 million capital investment
- \$2.1 million margin in 2019
- \$5.0 million margin in 2020
- \$5.2 million margin in 2021
- Q4 - 2018 initial service; fully in-service Q1 - 2020

- Four PPC projects to serve FPU's natural gas distribution systems expansions in Palm Beach County.
- Resolves a pipeline capacity constraint.



- *Projects /Phases include Belvedere, Westlake/Arden, Avenir and Research Park*
- *Marlin Gas is providing temporary service for customers ahead of the project schedule*

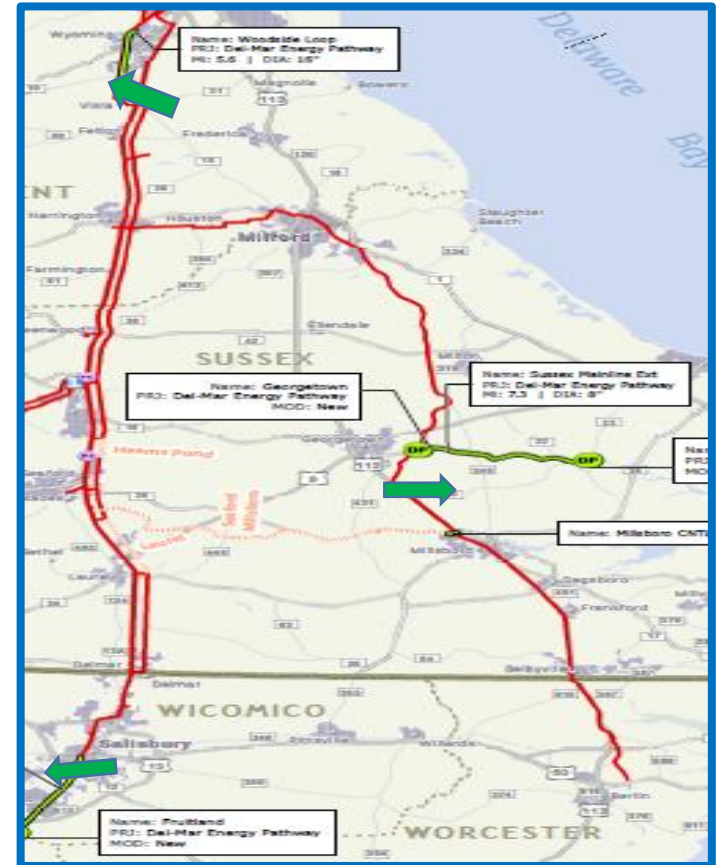
Del-Mar Energy Pathway Project Under Development

Strategic Growth Initiative

Provides additional natural gas transmission pipeline infrastructure in Eastern Sussex County, Delaware and expands service into Somerset County, Maryland; serves four large anchor customers

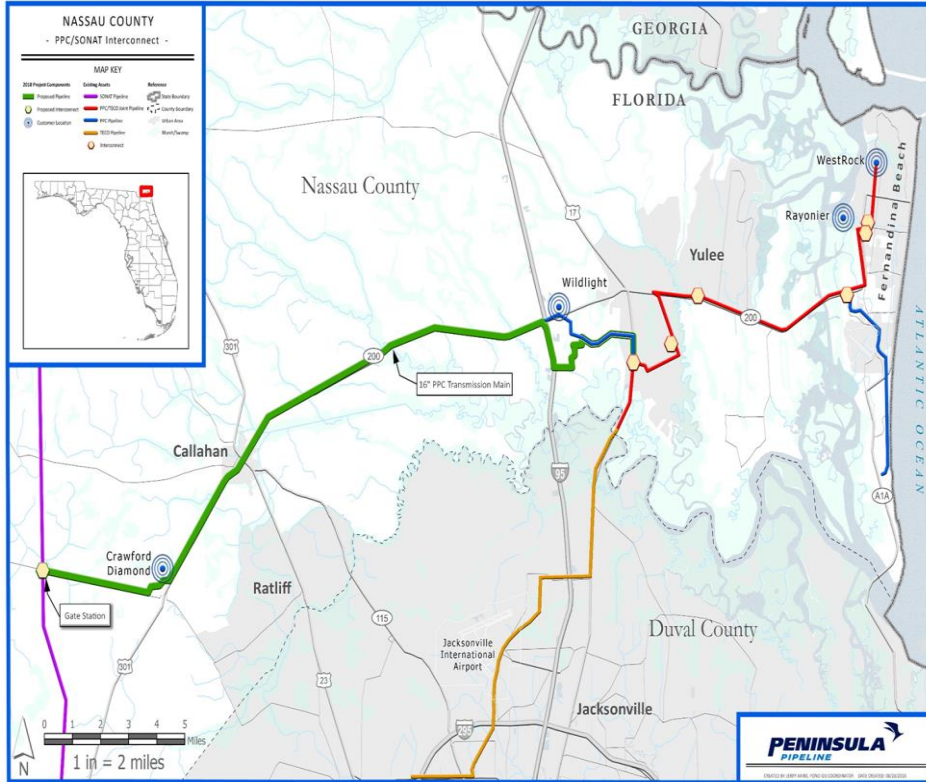
- Estimated Project Cost: \$ 37 MM
- Estimated In Service Date: Beginning of fourth quarter 2021*
- Estimated Annual Gross Margin:
 - 2019 - \$ 0.7 million (Interim Service)
 - 2020 - \$ 2.5 million
 - 2021 - \$ 4.1 MM
 - 2022 forward - \$ 5.1 MM

*FERC issued authorization for the project on January 7, 2020.



Callahan Pipeline Project in Nassau County, Florida

Another Strategic Growth Initiative



Peninsula Pipeline is constructing a jointly owned 26 mile pipeline serving Nassau and Duval counties in Florida; Project will be jointly owned and built with Seacoast Gas Transmission (affiliate of Emera)

- Estimated CPK Project Cost: \$ 32.5 Million*
- Estimated In Service Date: Third Quarter of 2020
- Estimated Annual Gross Margin:
 - 2020 - \$ 3.2 million
 - 2021 forward - \$ 6.4 million
- 15 Miles of pipe constructed already and project is on schedule

**Total project cost is estimated at \$65 million – Chesapeake and Seacoast will fund 50% each.*

Aspire Energy – Natural Gas Pipeline Project

Guernsey Power Station

- In December 2017, Aspire executed a binding precedent agreement with Guernsey Power Station, LLC (GPS) providing for the relocation of an existing 6" steel Aspire pipeline (completed March 2018). Aspire received the exclusive rights to provide natural gas transportation services for a ten year (300,000 Dths per day for a proposed 1,650 MW power plant).
- Guernsey Power Station began construction in Q4 2019. Aspire is finishing design work and reviewing bids for construction of interconnect facilities between the Tallgrass Energy Partners Rockies Express Pipeline (REX) and GPS.
- GPS is expected to be in service by late 2021.



Capital Expenditures	\$5.5MM
Annual Margin	\$1.4MM

Propane Growth Initiatives

Multiple Streams of Growth

Residential Community Gas Systems

- Maintain/develop residential builder relationships to capitalize on new development opportunities
- These relationships are translating into new CGS in non-core markets

AutoGas Fueling Stations

- Strategic partners key
- Multi-fleet fueling station network to support efficiency for our customers
- Providing fleets/bus solutions

Poultry Production

- Growth in poultry production on Delmarva
- Superior infrastructure and grower relations

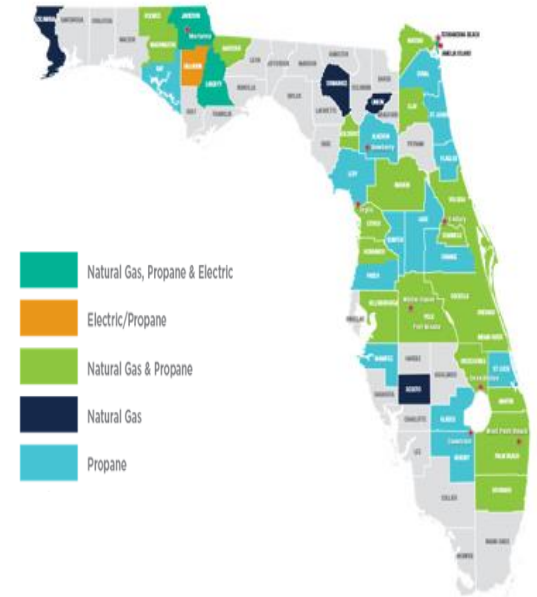
Start-ups and Acquisitions

- Expand beyond existing service territories
- In-fill acquisitions between operations
- Ohl and Boulden acquisitions

PROPANE DELMARVA

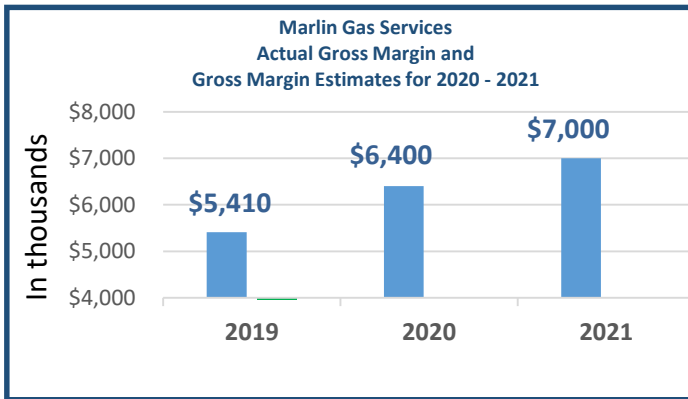


PROPANE FLORIDA



Our propane operations complement natural gas distribution to serve customers' energy needs in areas where natural gas is currently unavailable.

Marlin Gas Services – Engine for Growth and Customer Service Continues to Exceed Performance Expectations



Marlin Gas Services continues to actively expand the territories it serves, as well as leverage its patented technology to serve liquefied natural gas transportation needs and to aid in the transportation of renewable natural gas from the supply sources to various pipeline interconnection points.



Emergency Services



Utility Gas Supply Services

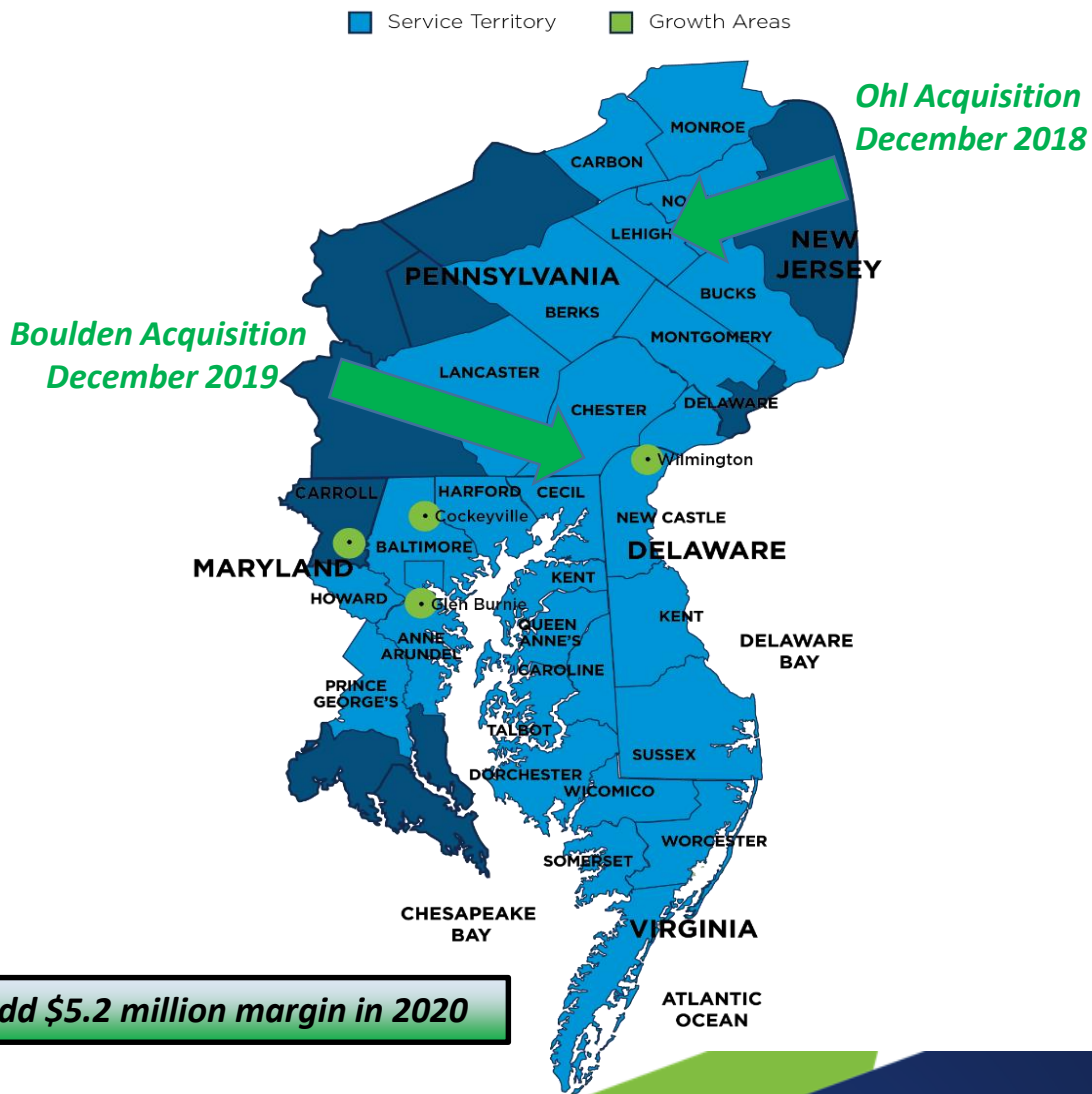


Pipeline Integrity Services

Benefits of Boulden Acquisition

- **Added approximately 5,200 customers in five counties in Delaware, Maryland and Pennsylvania effective 12/16/19**
- **Overlays nicely with Elkton Gas acquisition to establish a strong unified energy delivery platform in Cecil County**
- **Solid customer base with opportunities for future growth**
- **Operational synergies, including supply, for northern Delmarva**
- **Additional services and pricing programs are being offered to customers**
- **Operations will be integrated into Sharp's Delmarva operations**

SHARP ENERGY SERVICE TERRITORIES



Boulden and Ohi acquisitions expected to add \$5.2 million margin in 2020

Elkton Gas Company

Strategic Acquisition for Delmarva Natural Gas

Summary of Transaction:

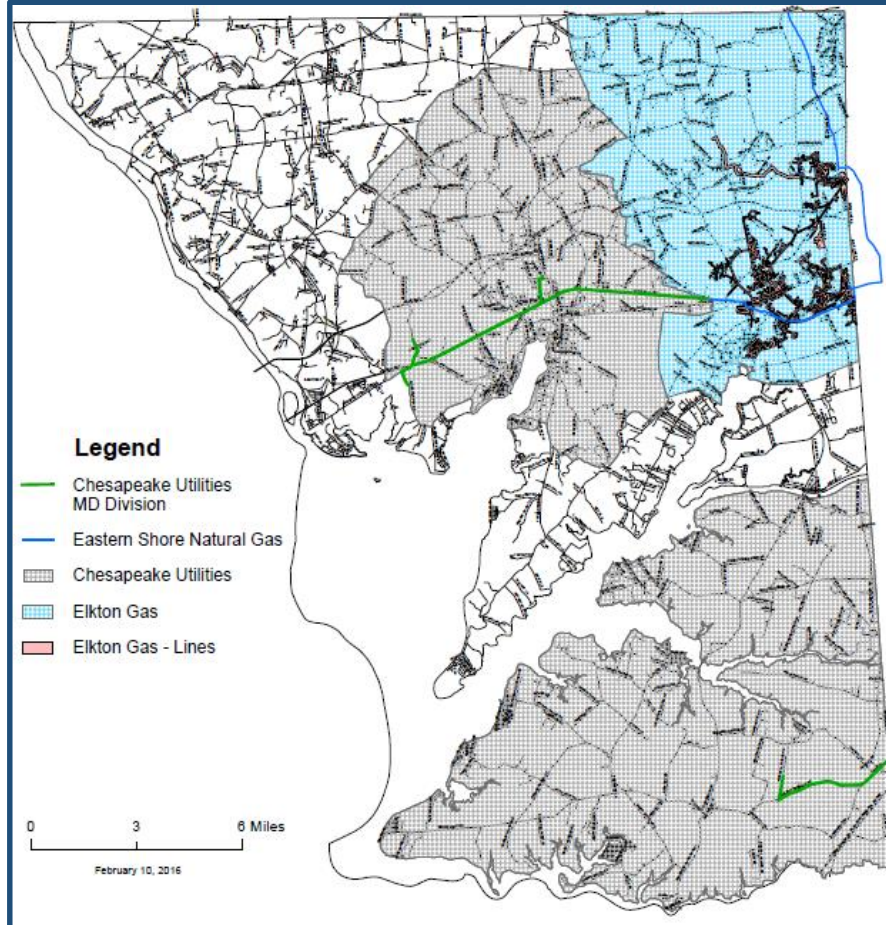
- On December 5, 2019, Chesapeake Utilities and South Jersey Industries entered into an agreement under which Chesapeake will acquire Elkton Gas Company for approximately \$15 million
- The transaction is expected to close by the end of the third quarter 2020, subject to receiving approval from the Maryland Public Service Commission
- Elkton Gas serves approximately 7,000 customers within a franchised area of Cecil County, Maryland
- Its territory is contiguous to Chesapeake's franchised service territory in Cecil County, Maryland
- Elkton Gas has been a customer of Chesapeake's interstate transmission pipeline subsidiary, Eastern Shore Natural Gas, since 1959 when natural gas first became available to serve the town of Elkton
- Elkton Gas will continue to operate out of its existing office with the same local personnel
- With the expanded presence in Cecil County, the gas distribution system can be serviced locally with Chesapeake personnel rather than remotely from our Dover, DE operations center

Existing Cecil County Operations

Elkton Gas and Chesapeake Utilities

Current SJI – Elkton Cecil County Operations

- Leased Administrative Office Space
- Owned Operations Facilities
- Nine Local Employees
- 7,000 Customers, Primarily Residential



Current CPK - Cecil County Operations

- No Office or Operations Facilities in Cecil County
- No Local Employees; Employees of the Delaware Division Provide Support
- 30 Commercial, 7 Industrial and 3 Residential Customers

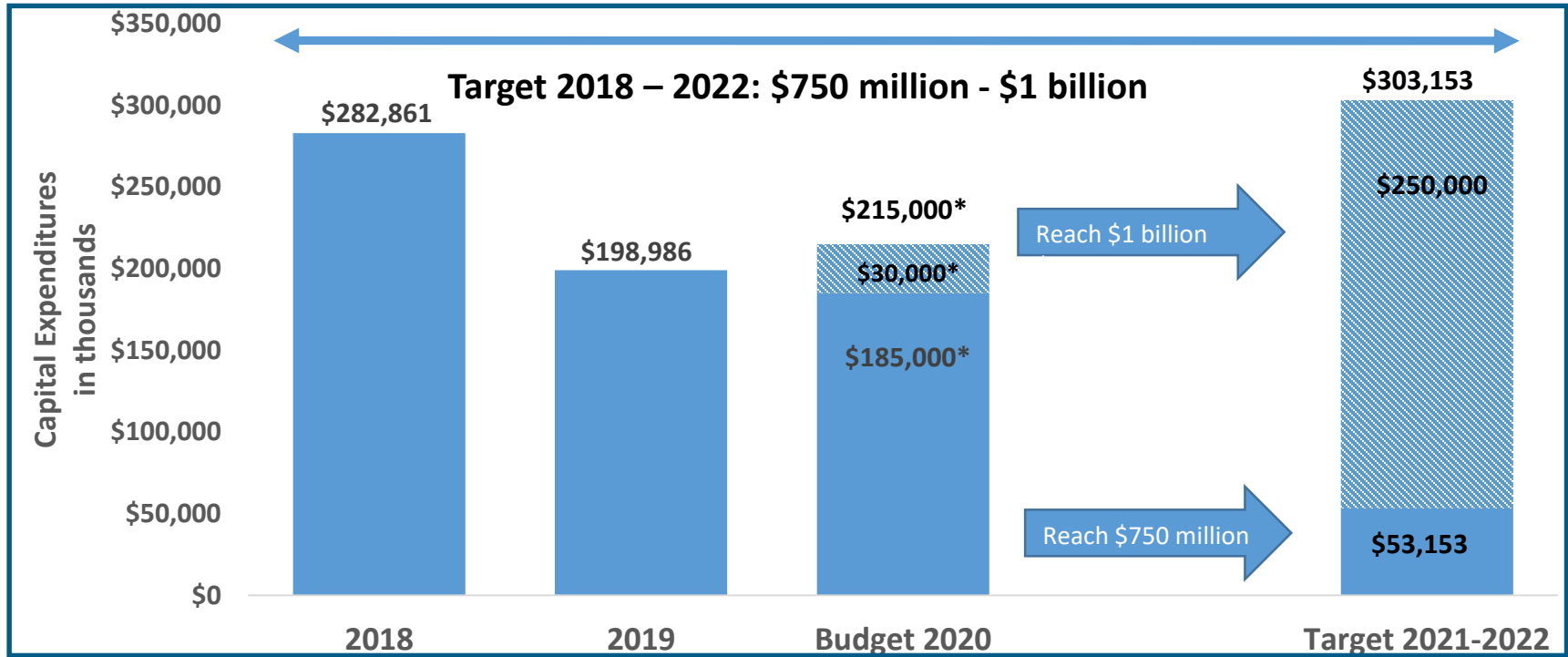
Elkton Gas Company

Strategic Fit

- Elkton Gas gives CPK an operational platform in Cecil County including personnel, a contractor pool and an operations center which will enable Chesapeake to more quickly expand our footprint in Cecil County
- Additional growth is expected in the area, due to its proximity to I-95 and the potential for a new interchange which is expected to spur additional commercial and industrial development
 - A new 623 acre mixed use development has been proposed that would potentially add 4,289,000 sq. ft. of industrial/warehouse space, 257,600 sq. ft. of commercial/retail space and 1,205 homes
- Access to I-95 also provides potential opportunities for Marlin to expand its CNG and LNG business
- The acquisition will provide access to additional upstream capacity resources

Capital Investment Guidance

Continued Record Investment in Our Business to Drive Growth

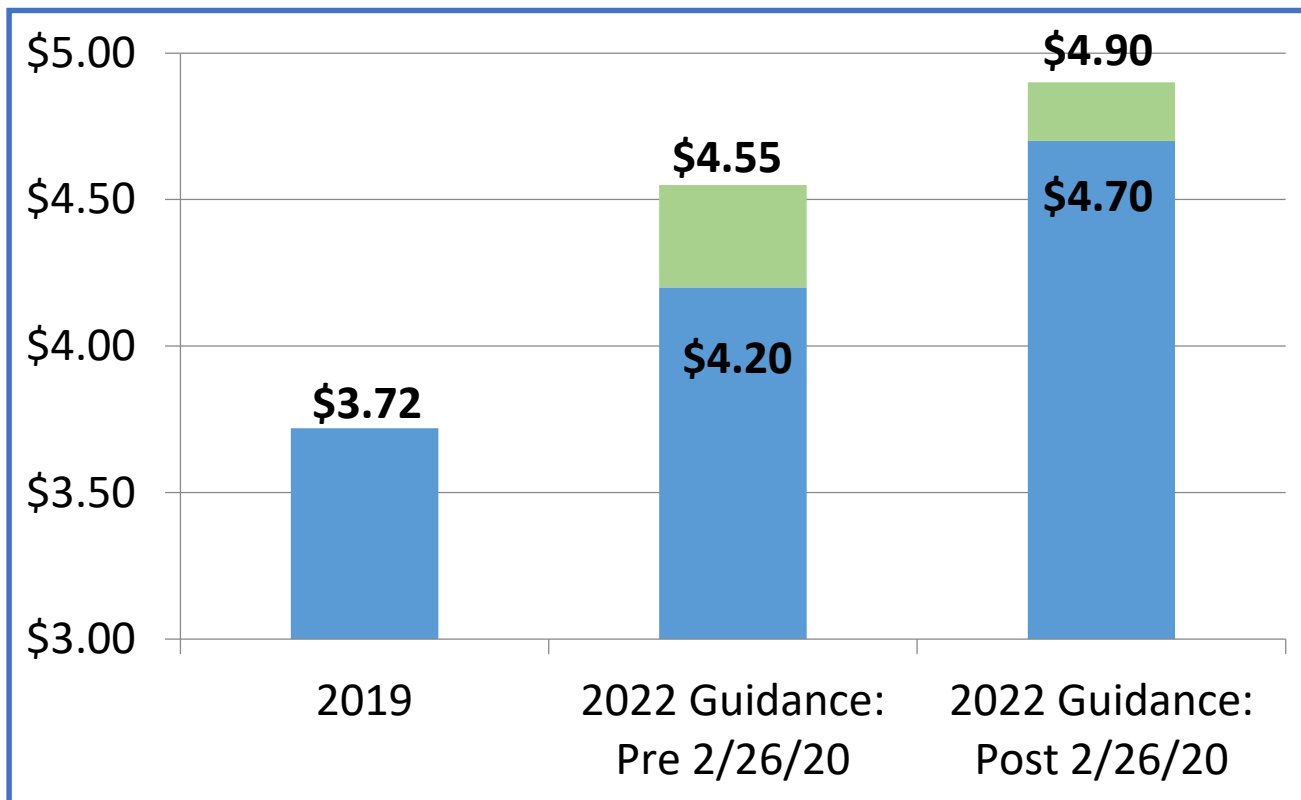


*We will continue to update this forecast as we move through the year, including any capital deployment delays resulting from the impact of COVID-19.

Management reaffirms its five year capital expenditure guidance of \$750 million to \$1 billion. Through the first two years (2018-2019) of the five-year forecasted period through 2022, the Company has invested \$482 million on new capital expenditures.

Current Earnings Guidance

2022 EPS Target Range of \$4.70 - \$4.90



On February 26, 2020, we updated our EPS guidance based on our current strategic plan planned investments and growth prospects.

We are continuing to monitor the COVID-19 impacts and will provide updates, as necessary, to our EPS target range, in the future.

Chesapeake Utilities Corporation

Committed to Superior Performance – TSR, EPS, Dividend Growth

Chesapeake Utilities Corporation												
Period Ended 12/31/2019	Total Return (Annualized)			Diluted Earnings Growth (CAGR)			Dividend Growth (CAGR)			Retention Rate		
	CPK	Peer Median	Rank vs. Peers	CPK	Peer Average	Rank vs. Peers	CPK	Peer Average	Rank vs. Peers	CPK	Peer Average	Rank vs. Peers
1 Year	20%	23%	7	14.8%	4.6%	3	9.5%	5.9%	3	59%	35%	1
3 Year	15%	12%	4	11.5%	7.5%	4	9.9%	5.8%	2	60%	40%	1
5 Year	16%	13%	4	9.9%	5.7%	3	8.5%	6.4%	2	59%	35%	1
10 Year	19%	15%	2	10.7%	5.3%	2	6.8%	5.2%	3	57%	26%	1
CPK 2018 - 2022 Target	15%			7.75% to 9.50%			Dividend Growth Supported By Earnings Growth			50% to 55%		

We seek to identify and develop opportunities to drive our future earnings growth and increase shareholder value.

Executing on Our Strategy:

- Seek development projects to serve new customers, provide new services and expand into new service areas.
- Pursue expansion projects that serve long-term commercial and industrial customers.
- Investing in propane opportunities to access new markets with significant growth potential.
- Pursue new platforms for growth including CNG, LNG, RNG.
- Maintain our track record of financial discipline to invest in earnings accretive projects.

Any Questions?



Beth Cooper
Executive Vice President,
CFO and Asst. Secretary
bcooper@chpk.com



Thomas E. Mahn
Vice President and
Treasurer
tmahn@chpk.com

Thank You!

