

Standing Strong. Embracing Change. **Shaping Our Future.**



Third Quarter 2021 Earnings Conference Call

November 4, 2021

Today's Presenters



Jeff Householder

President, Chief Executive Officer



Beth Cooper

Executive Vice President,
Chief Financial Officer and
Assistant Corporate Secretary



Jim Moriarty

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



Alex Whitelam

Head of Investor Relations



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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. You should refer to the additional information contained in Chesapeake Utilities' Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC and other subsequent SEC filings concerning factors that could cause those results to be different than contemplated in today's discussion.

Reg D Disclosure

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

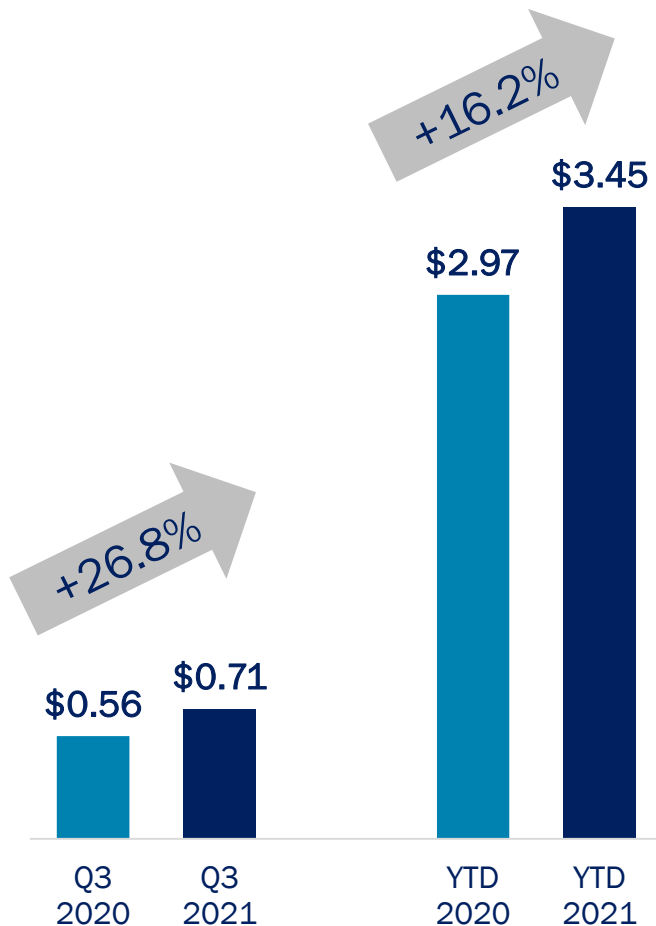
Gross Margin (Non-GAAP Measure)

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.

Third Quarter 2021 Financial Performance

Continued Profitable Growth Driving Results

Diluted Earnings Per Share



Key Gross Margin Contributions to Earnings Growth



Third Quarter and Year-to-Date Financial Summary

Financial results for the quarters and nine months ended September 30, 2021 and 2020

(in thousands except per share data)

Total Gross Margin

Operating Income

Other Income (Expense), Net

Interest Charges

Pre-tax Income

Income Taxes

Net Income from Continued Ops

Income (Loss) Discontinued Ops

Net Income

Diluted EPS

	Third Quarter		Year-to-Date	
	2021	2020	2021	2020
Total Gross Margin	<u>\$ 79,971</u>	<u>\$ 79,508</u>	<u>\$ 281,241</u>	<u>\$ 253,418</u>
Operating Income	\$ 20,113	\$ 17,406	\$ 94,288	\$ 77,518
Other Income (Expense), Net	339	(40)	2,180	2,997
Interest Charges	(4,975)	(4,584)	(15,134)	(15,452)
Pre-tax Income	15,477	12,782	81,334	65,063
Income Taxes	(2,993)	(3,502)	(20,563)	(16,082)
Net Income from Continued Ops	12,484	9,280	60,771	48,981
Income (Loss) Discontinued Ops	(9)	(19)	(17)	165
Net Income	<u>\$ 12,475</u>	<u>\$ 9,261</u>	<u>\$ 60,754</u>	<u>\$ 49,146</u>
Diluted EPS	<u>\$ 0.71</u>	<u>\$ 0.56</u>	<u>\$ 3.45</u>	<u>\$ 2.97</u>

Strong Performance driven by approximately \$28 million in additional gross margin through the first nine months of 2021.

Chesapeake Utilities is Committed to Gross Margin Growth and Efficient Operations

Third Quarter Highlights

Gross Margin increased \$6.0M or 8.1% on a proforma basis absent the timing difference for Hurricane Michael relief from Q1 and Q2 recognized in Q3 of 2020.

- 6.8% increase in proforma gross margin in Regulated businesses driven by pipeline expansion, organic growth and higher levels of customer consumption
- 14.0% growth in Unregulated driven by propane and Aspire

Operating Income increased \$4.6M or 30.0% on a proforma basis compared to Q3 2020.

- 26.9% increase in Regulated
- 6.8% increase in Unregulated

For the Unregulated Energy Segment, revenue and earnings are typically greater during the first and fourth quarters, when consumption of energy is highest due to colder temperatures.

Consolidated Results	Three Months Ended September 30,				Hurricane Michael 2020 Timing Difference			
	2021	2020	Change	Percent Change	Adjustment	Proforma	Change	Percent Change
<i>(In thousands)</i>								
Gross margin	\$ 79,971	\$ 79,508	\$ 463	0.6%	\$ (5,507)	\$ 74,001	\$ 5,970	8.1%
Depreciation, amortization and property taxes	21,165	22,976	(1,811)	-7.9%	(3,574)	19,402	1,763	9.1%
Other operating expenses	38,693	39,126	(433)	-1.1%	-	39,126	(433)	-1.1%
Operating Income	\$ 20,113	\$ 17,406	\$ 2,707	15.6%	\$ (1,933)	\$ 15,473	\$ 4,640	30.0%

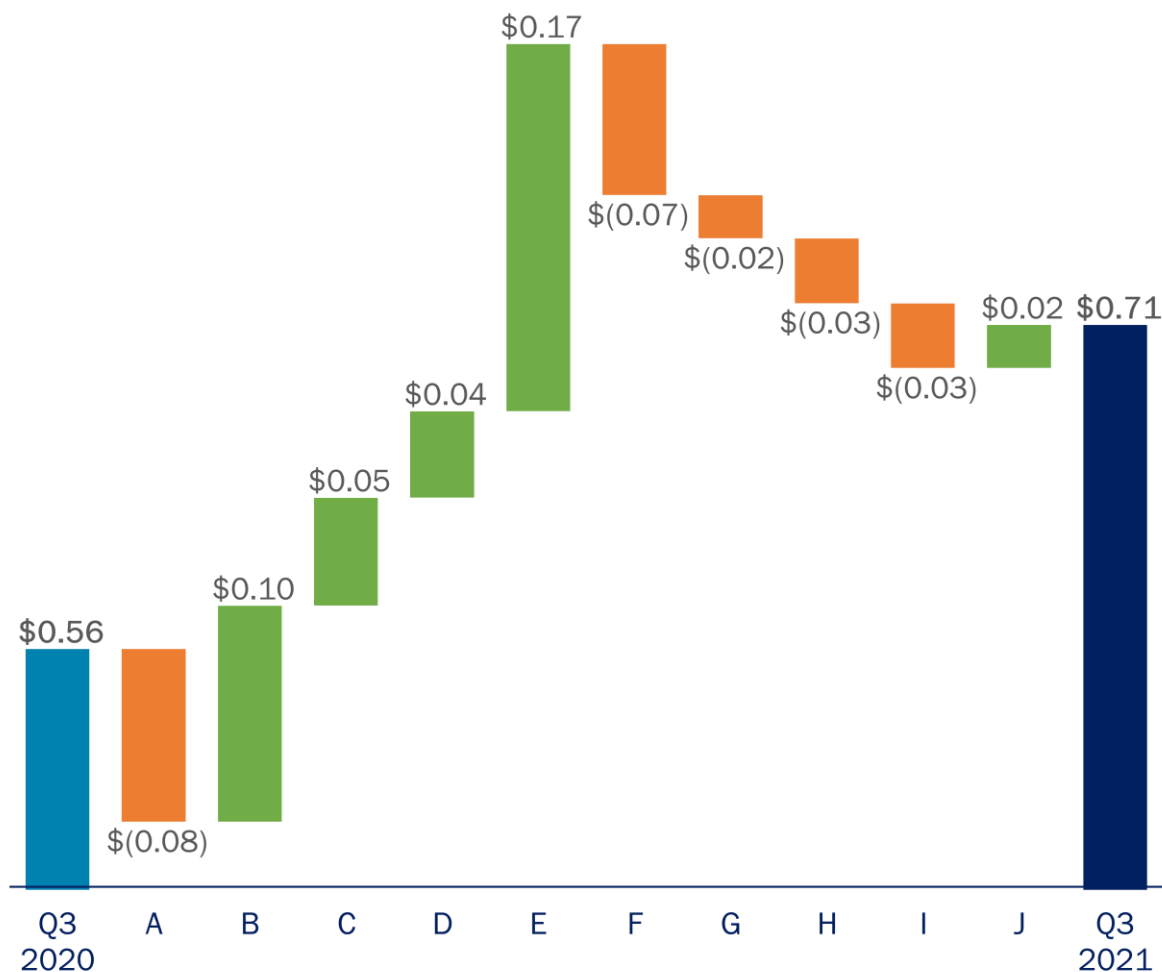
Regulated Energy Segment	Three Months Ended September 30,				Hurricane Michael 2020 Timing Difference			
	2021	2020	Change	Percent Change	Adjustment	Proforma	Change	Percent Change
<i>(In thousands)</i>								
Gross margin	\$ 65,102	\$ 66,491	\$ (1,389)	-2.1%	\$ (5,507)	\$ 60,984	\$ 4,118	6.8%
Depreciation, amortization and property taxes	17,215	19,617	(2,402)	-12.2%	(3,574)	16,043	1,172	7.3%
Other operating expenses	24,349	26,392	(2,043)	-7.7%	-	26,392	(2,043)	-7.7%
Operating Income	\$ 23,538	\$ 20,482	\$ 3,056	14.9%	\$ (1,933)	\$ 18,549	\$ 4,989	26.9%

Unregulated Energy Segment	Three Months Ended September 30,			
	2021	2020	Change	Percent Change
<i>(In thousands)</i>				
Gross margin	\$ 14,897	\$ 13,068	\$ 1,829	14.0%
Depreciation, amortization and property taxes	3,921	3,326	595	17.9%
Other operating expenses	13,859	12,834	1,025	8.0%
Operating Income	\$ (2,883)	\$ (3,092)	\$ 209	6.8%

Key Drivers of Our Performance

Quarter Ended September 30, 2021

Diluted Earnings Per Share

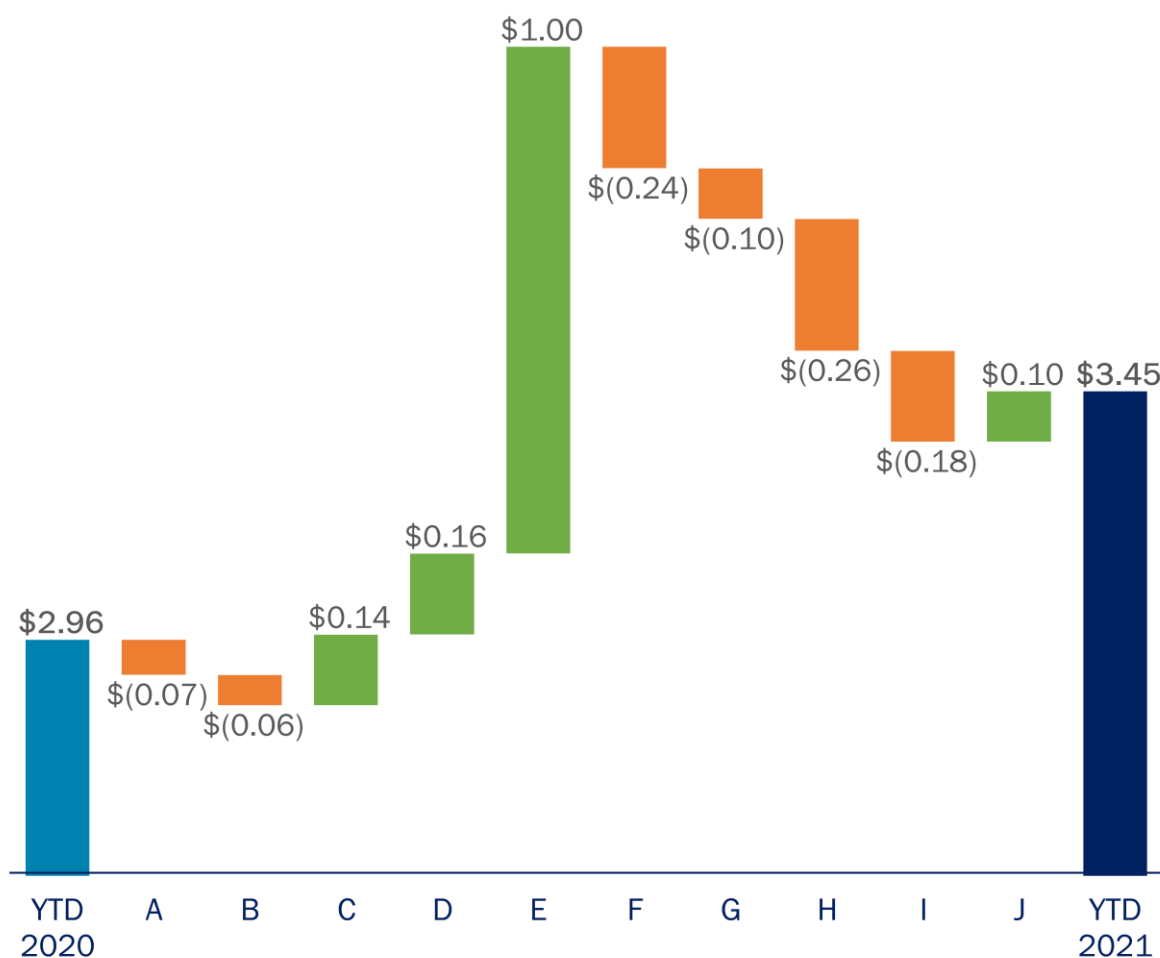


Q3 2020 Diluted Earnings Per Share		\$0.56
A	Timing difference of Hurricane Michael relief from Q1 and Q2 recognized in Q3 2020	-\$0.08
B	Regulatory deferral of COVID-19 expenses per PSC's orders	\$0.10
C	Favorable income tax impact associated with the CARES Act	\$0.05
D	Contributions from recent acquisitions	\$0.04
E	Core business growth	\$0.17
F	Depreciation, amortization and property tax costs due to new capital investments	-\$0.07
G	Operating expenses tied to recent acquisitions	-\$0.02
H	Operating expenses tied to core business growth	-\$0.03
I	Change in shares outstanding due to 2020 and 2021 equity offerings	-\$0.03
J	Other items	\$0.02
Q3 2021 Diluted Earnings Per Share		\$0.71

Key Drivers of Our Performance

Year-to-Date Ended September 30, 2021

Diluted Earnings Per Share from Continuing Operations



YTD 2020 Diluted Earnings Per Share from Continuing Operations		\$2.96
A	Gain on sale of assets in 2020	-\$0.07
B	Net impact of CARES Act items	-\$0.06
C	Regulatory deferral of COVID-19 expenses per PSC's orders	\$0.14
D	Contributions from recent acquisitions	\$0.16
E	Core business growth	\$1.00
F	Depreciation, amortization and property tax costs due to new capital investments	-\$0.24
G	Operating expenses tied to recent acquisitions	-\$0.10
H	Operating expenses tied to core business growth	-\$0.26
I	Change in shares outstanding due to 2020 and 2021 equity offerings	-\$0.18
J	Other items	\$0.10
YTD 2021 Diluted Earnings Per Share from Continuing Operations		\$3.45

2021 Capital Expenditures Forecast

(dollars in thousands)

Regulated Energy:

Natural gas distribution

Natural gas transmission

Electric distribution

Total Regulated Energy

Unregulated Energy:

Propane distribution

Energy transmission

Other unregulated energy

Total Unregulated Energy

Other:

Corporate and other businesses

Total Forecasted Capital Expenditures

	Forecast 2021	
	Low	High
	\$ 76,000	\$ 79,000
	58,000	63,000
	8,000	8,000
	142,000	150,000
	78%	76%
	11,000	12,000
	16,000	20,000
	13,000	15,000
	40,000	47,000
	22%	24%
	3,000	3,000
	\$ 185,000	\$ 200,000

***Year-to-date through Sept. 30, 2021
Capital expenditures
were \$151.4 million***

2021 Key Projects:

- RNG transport from Noble Road Landfill
- Del-Mar Energy Pathway
- Florida's Western Palm Beach County Expansion
- Florida GRIP
- Natural gas distribution and transmission system expansions including several previously announced projects in 2021
- Natural gas and electric system infrastructure improvement activities
- Expansion of Marlin Gas Services' fleet to support CNG, LNG and RNG transport growth

Narrowing our capital expenditure guidance for 2021

Capital Structure Overview

Strong Balance Sheet to Support Growth

	09/30/21	12/31/2020
Stockholders' equity	\$ 750,962	\$ 697,085
Long-term debt, net of current maturities	505,459	508,499
Total permanent capitalization	\$ 1,256,421	\$ 1,205,584
Current portion of long-term debt	16,206	13,600
Short-term debt	192,026	175,644
Total capitalization and short-term financing	\$ 1,464,653	\$ 1,394,828
Equity to Permanent Capital	59.8%	57.8%
Equity to Total Capitalization	51.3%	50.0%
New Long-Term Debt Issuance	\$ 9,590	\$ 90,000
Net New Equity Issuance	\$ 12,645	\$ 89,700

Long-Term Debt
 Avg. Interest Rate: 3.55%
 \$50 Million: 2.49%
 Funding 1/25/2022

Short-Term Debt
 \$400 Million Facility
 \$200M: LIBOR + 0.70%
 \$200M: LIBOR + 0.95%

New \$9.6 million of sustainability linked financing

Within our target equity range

Stockholders' Equity increased \$53.9 million during the first nine months of 2021 primarily driven by:

- Strong Net Income driving an increase in Retained Earnings of \$35.9 million
- Dividend Reinvestment and Stock Compensation Plans increased \$12.6 million
- Other Comprehensive Income was \$5.3 million



Organic Growth

Optimize the earnings potential of our existing businesses through organic growth and business transformation initiatives.



Gas Transmission

Pursue intrastate and interstate gas transmission projects in selected markets.



Propane

Expand the propane wholesale, retail and AutoGas businesses in the Mid-Atlantic and Southeast, including through new acquisitions.



Marlin Gas Services

Expand Marlin virtual pipeline and product transport business (CNG, LNG, RNG, Hydrogen, CO²).



Sustainable Investments

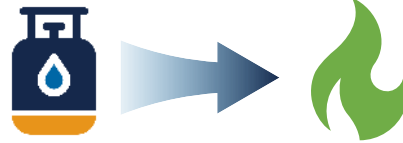
- Renewable Natural Gas from waste sources
- CNG/RNG vehicle fuels
- Combined Heat and Power Projects
- Renewable power generation associated with RNG
- Introduction of Hydrogen

We are providing our customers with affordable, reliable and sustainable energy delivery solutions

Major Initiatives



**DELMARVA AND FLORIDA
ORGANIC GROWTH AND
PIPELINE EXPANSIONS**



**COMMUNITY GAS SYSTEM
CONVERSIONS
CUSTOMER GROWTH,
AUTOGAS AND ACQUISITIONS**



**DISTRIBUTION SYSTEM
IMPROVEMENT PROJECTS**



**SAFETY TOWN
STATE OF THE ART
TRAINING CENTER**



**INFRASTRUCTURE
INVESTMENT**



**RNG INVESTMENTS
MARLIN TRANSPORT
(VIRTUAL PIPELINE)**

We are investing for the future

Gross Margin from Major Projects and Initiatives

Gross margin expected to increase by \$15.4 million in 2021 and \$10.1 million in 2022 for a total of \$25.5 million from 2020

Project/Initiative <i>in thousands</i>	Gross Margin for the Period							
	Three Months Ended		Nine Months Ended		Year Ended	Estimate for		
	September 30,		September 30,		December 31,	Fiscal		
	2021	2020	2021	2020	2020	2021	2022	
Pipeline Expansions:								
Western Palm Beach County, Florida Expansion	\$ 1,175	\$ 1,020	\$ 3,515	\$ 2,988	\$ 4,167	\$ 4,811	\$ 5,227	
Del-Mar Energy Pathway ^{(1) (2)}	1,049	924	2,854	1,565	2,462	4,578	6,708	
Callahan Intrastate Pipeline ^{(2) (3)}	1,893	1,378	5,673	1,452	2,926	7,564	7,564	
Guernsey Power Station	47	—	141	—	—	404	1,486	
Winter Haven Expansion	—	—	—	—	—	—	658	
Beachside Pipeline Extension	—	—	—	—	—	—	—	
Total Pipeline Expansions	4,164	3,322	12,183	6,005	9,555	17,357	21,643	
CNG Transportation	1,598	1,592	5,383	5,047	7,231	7,300	8,500	
RNG Transportation	—	—	—	—	—	86	1,000	
Acquisitions:								
Elkton Gas	590	357	2,648	357	1,344	3,900	4,113	
Western Natural Gas	372	—	1,312	—	389	2,066	2,251	
Escambia Meter Station	250	—	333	—	—	583	1,000	
Total Acquisitions	1,212	357	4,293	357	1,733	6,549	7,364	
Regulatory Initiatives:								
Florida GRIP	4,306	3,831	12,543	11,135	15,178	16,950	18,797	
Hurricane Michael regulatory proceeding	3,264	8,261	8,984	8,261	10,864	11,014	11,014	
Capital Cost Surcharge Programs	433	129	690	389	523	1,186	1,985	
Elkton Gas STRIDE Plan	—	—	—	—	—	45	299	
Total Regulatory Initiatives	8,003	12,221	22,217	19,785	26,565	29,195	32,095	
Total	\$ 14,977	\$ 17,492	\$ 44,076	\$ 31,194	\$ 45,084	\$ 60,487	\$ 70,602	

Year-over-year Increases:

YTD 2021
\$12,882

FY 2021
\$15,403

FY 2022
\$10,115

Active Renewable Natural Gas Transportation Projects



Recently Completed

- **Noble Road Landfill Project:** Aspire Energy completed construction of a 33.1 mile pipeline to inject RNG developed at the landfill for distribution to its end use customers.

In Progress

- **BioEnergy Devco and CleanBay:** RNG source created from poultry waste. Services include the transport of RNG by Marlin Gas Services to Eastern Shore Natural Gas (our interstate pipeline) which is ultimately distributed to our natural gas customers. CPK is involved in discussions to potentially offer additional services. The projects are under development and the timing of RNG availability is dependent on the construction schedule of each project.
- **CNG Filling Station:** At the Port of Savannah in conjunction with Southern Company Gas. CPK will build the physical station on behalf of Southern and then lease and operate it. The facility is designed to serve local CNG fleets and RNG-fueled vehicles.

Key Expansion Projects

Pipeline Growth and Margin Contribution

Project	Capital Investment	Fully In Service	Annual Gross Margin Estimate
West Palm Beach County	\$28.9 million	2021 Fourth Quarter	\$5.2 million
Del-Mar Energy Pathway*	\$63.4 million	2021 Third Quarter	\$6.7 million
Callahan Pipeline (JV)	\$33.5 million CPK 50%	2020 Second Quarter	\$7.6 million
Guernsey Power Station	\$6.5 million	2021 Fourth Quarter	\$1.5 million
Winter Haven Expansion	\$3.5 million	2022 First Quarter	\$0.7 million
Beachside Pipeline Extension	\$16.7 million	2023 First Quarter	\$2.5 million

Total investments of \$152.5 million generate incremental gross margin of \$24.2 million once fully in service in 2023

Recent State Level Governmental Affairs Activities

Florida Activity

Energy Preemption Bill

- Filed by the Florida Natural Gas Association (FNGA).
- Passed and signed into law by the Governor in June 2021.
- Codifies customer choice when evaluating energy options.
- Retroactive implementation.

Renewable Energy Bill

- Filed by Chesapeake Utilities.
- Passed and signed into law by the Governor in June 2021.
- Defines Biogas, Renewable Natural Gas (RNG). Amends the definition of Renewable Energy to include RNG as a source.
- Provides for RNG's use in transportation, electric generation, and injection into gas distribution systems.
- Authorizes the PSC to approve cost recovery for RNG contracts that exceed market rates under certain conditions.

Ohio Activity

Energy Preemption Bill

- Filed by a utility coalition, led by Dominion Energy
- Passed and signed into law by the Governor in July 2021.
- State Energy preemption legislation to prevent towns and municipalities from banning natural gas.

We are playing a leading role in encouraging the continued support of natural gas and monitoring other states' activities in regards to energy preemption and renewable energy opportunities

Florida GRIP

- Natural gas pipe replacement program approved by the Florida PSC.
- Since inception in August 2012, invested \$183.6 million of capital expenditures to replace 337 miles of qualifying distribution mains, including \$17.7 million of new pipes during the first nine months of 2021.
- Annual gross margin of approximately \$17.0 million in 2021, and \$18.8 million in 2022.

Hurricane Michael Settlement

- The settlement agreement allowed FPU to:
 - (a) refund the over-collection of interim rates through the fuel clause;
 - (b) record regulatory assets for storm costs in the amount of \$45.8 million including interest which will be amortized over six years;
 - (c) recover these storm costs through a surcharge for a total of \$7.7 million annually;
 - (d) collect an annual increase in revenue of \$3.3 million to recover capital costs associated with new plant and a regulatory asset for the cost of removal and undepreciated plant

Capital Cost Surcharge Programs

- Eastern Shore recovery mechanism for capital costs associated with mandated highway or railroad relocation projects that required the replacement of existing Eastern Shore facilities.
- Estimated gross margin of approximately \$1.2 million in 2021 and \$2.0 million in 2022 from relocation projects.

Elkton Gas STRIDE Plan

- Settlement reached with the Maryland PSC Staff and the Maryland Office of the Peoples Counsel.
- Aldyl-A pipeline replacement program which enables recovery of the capital investment in the form of a fixed charge rider through a proposed 5-year surcharge.
- Expected to go into service in the fourth quarter of 2021 and generate \$0.3 million of margin in 2022 and \$0.4 million annually thereafter.

Florida COVID-19 Regulatory Proceeding

- Florida regulated business units reached a settlement with the Office of Public Counsel in June 2021.
- Allows the Florida regulated business units to establish regulatory assets of \$2.1 million.
- Amortize the amount over two years beginning January 1, 2022 and recover the regulatory asset.
- Annual additional gross margin of \$1.0 million that will be offset by a corresponding amortization of regulatory asset expense for both 2022 and 2023.

- We take seriously our responsibility to be a good, trusted and ethical corporate citizen, and doing all we can to contribute, through investment, charitable contributions and volunteerism, to greater sustainability, environmental benefits and societal advancement.
- For more than 160 years, we have delivered affordable and sustainable energy solutions that respond timely to the evolving needs of our customers and the communities we serve.
- We take positive and informed steps to continue our tradition of reducing our direct methane emissions, while at the same time helping our customers and communities to reduce their emissions.



- We are committed to ensuring that safety, equity, diversity and inclusion are at the center of our culture.
- Each and every day, we proudly deliver essential, safe, reliable, affordable, sustainable and efficient energy solutions to our customers in Delaware, Florida, Maryland, Pennsylvania, Virginia and Ohio.
- We are committed to sustainable growth with financial discipline that generates long-term value for our stakeholders.
- Our success rests on the strength and dedication of our team, our diverse, inclusive and collaborative culture, and our award winning corporate governance practices, all of which contribute to our strong financial performance.

Together, the Chesapeake Utilities Team PROUDLY DELIVERS UNINTERRUPTED ENERGY SERVICES TO OUR CUSTOMERS

- We have an unwavering focus on advancing initiatives that are consistent with our long-history of growth, upper-quartile performance, and the reduction of greenhouse gas emissions.
- Our inaugural Corporate Responsibility and Sustainability Report will be made available in the coming months, providing additional information and insights on our long-standing ESG stewardship.
- We are continuing to strengthen our safety culture.
- We are accelerating a business transformation process to address the organizational and technology enhancements that will support our continued responsible growth.

Recent ESG Initiatives

Global Diversity
Awareness
Month

Breast Cancer
Awareness
Myths and
Facts

Charity Bobtail
for Nemours
Children's
Hospital

Wreath-laying
With Wreaths
Across America

Hidden Heroes
of Women in
Energy

Coping With
Change in Multi-
generational
Households

National
Hispanic
Heritage Month

Internal Employee Resource Groups



Chesapeake Cares



More than 100 local charities supported each year



More than 110 scholarships awarded to children of CPK employees

Recent Awards and Recognitions



Named Top Work Place in US for 2021, Top Work Place in Delaware for 10 Years in a Row



Chesapeake Utilities named 2021 Best Company with Over 50 People. Sharp Energy named 2021 Best Propane Company.



CPK Named 2021 Best Corporate Governance in the North American Utilities Sector

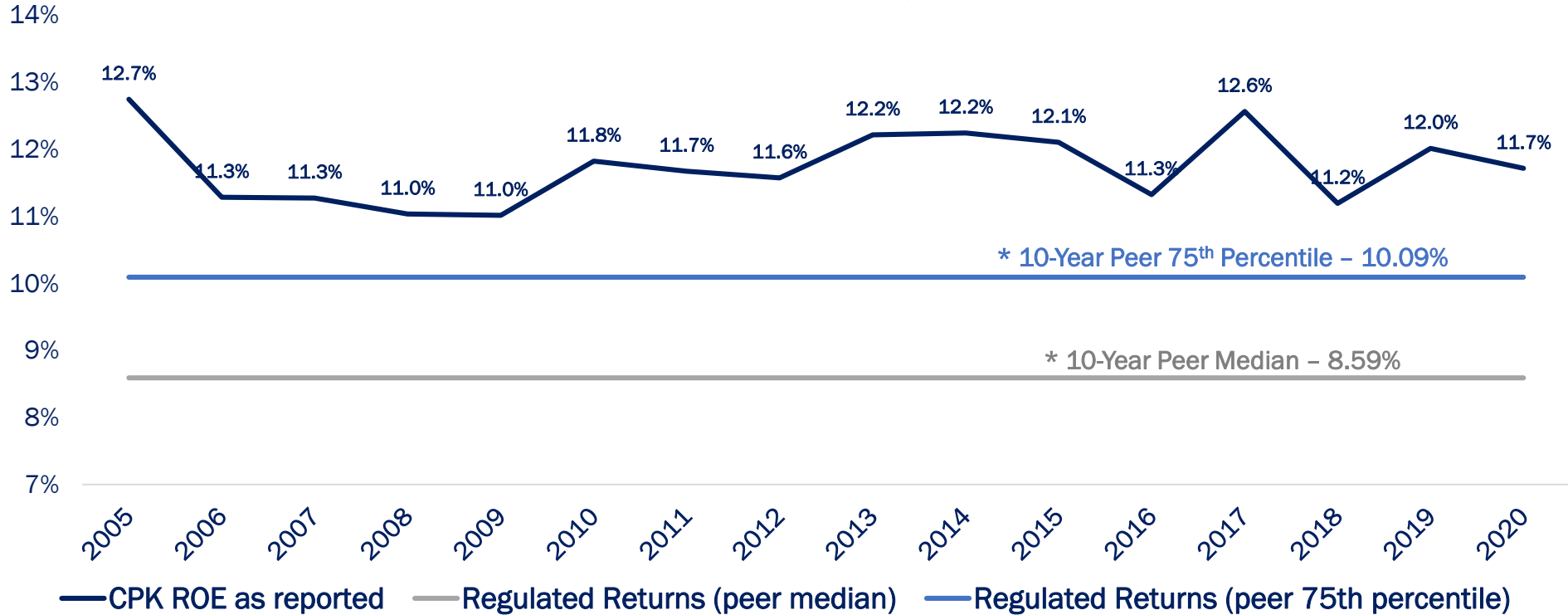


Four CPK Businesses Received AGA Safety Related Awards in 2021

Solid Track Record of Return on Equity

Consistently Exceeding Peer Median and 75th Percentile

Return on Equity

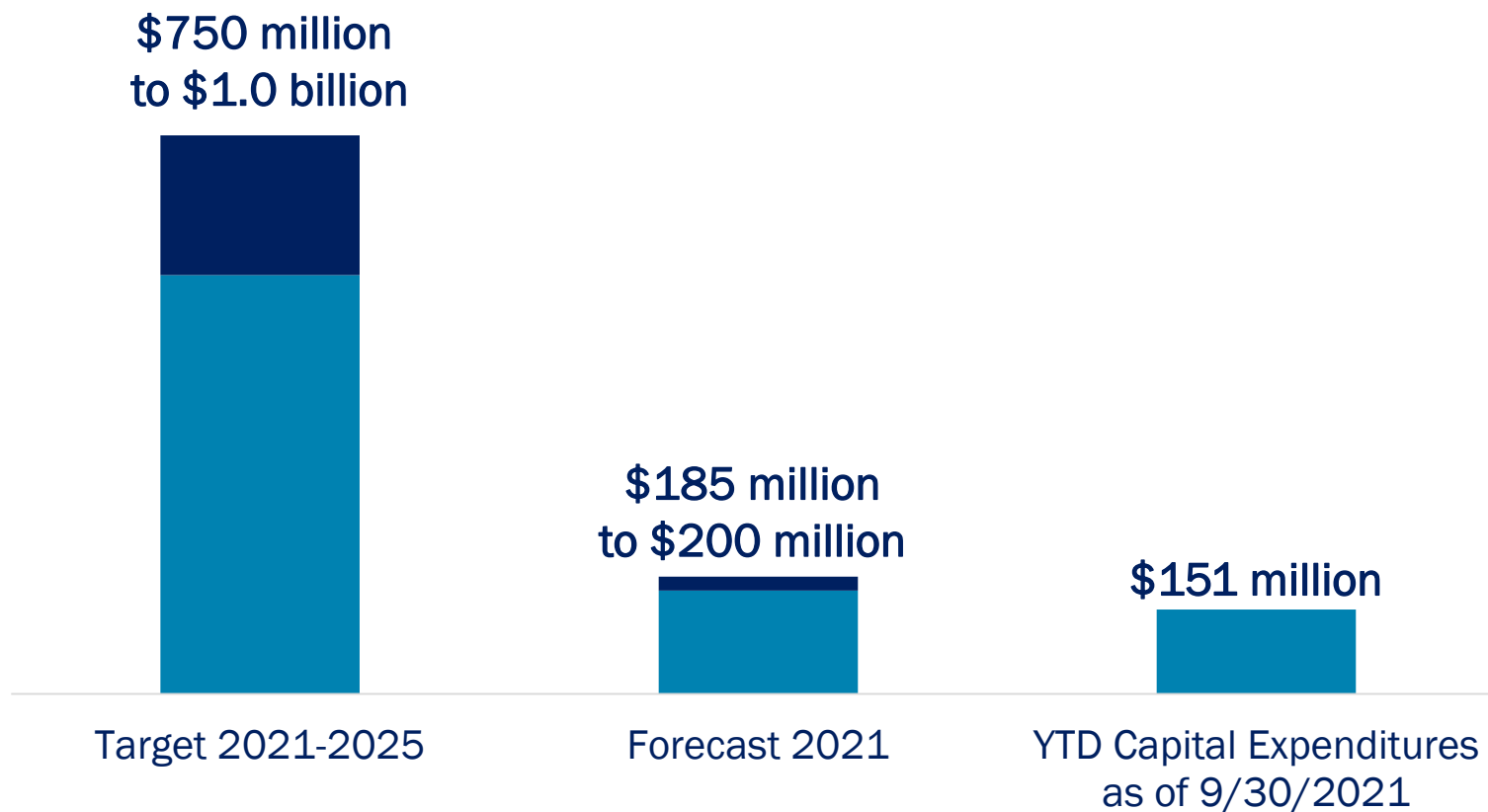


Return on Equity				
For the periods ending December 31, 2020				
	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
CPK	11.7%	11.6%	11.7%	11.8%
Peer Median	8.8%	9.4%	9.0%	8.6%
Peer 75th Percentile	9.9%	9.9%	10.2%	10.1%

Capital Investment Guidance

Continued Record Investment in Our Business Growth

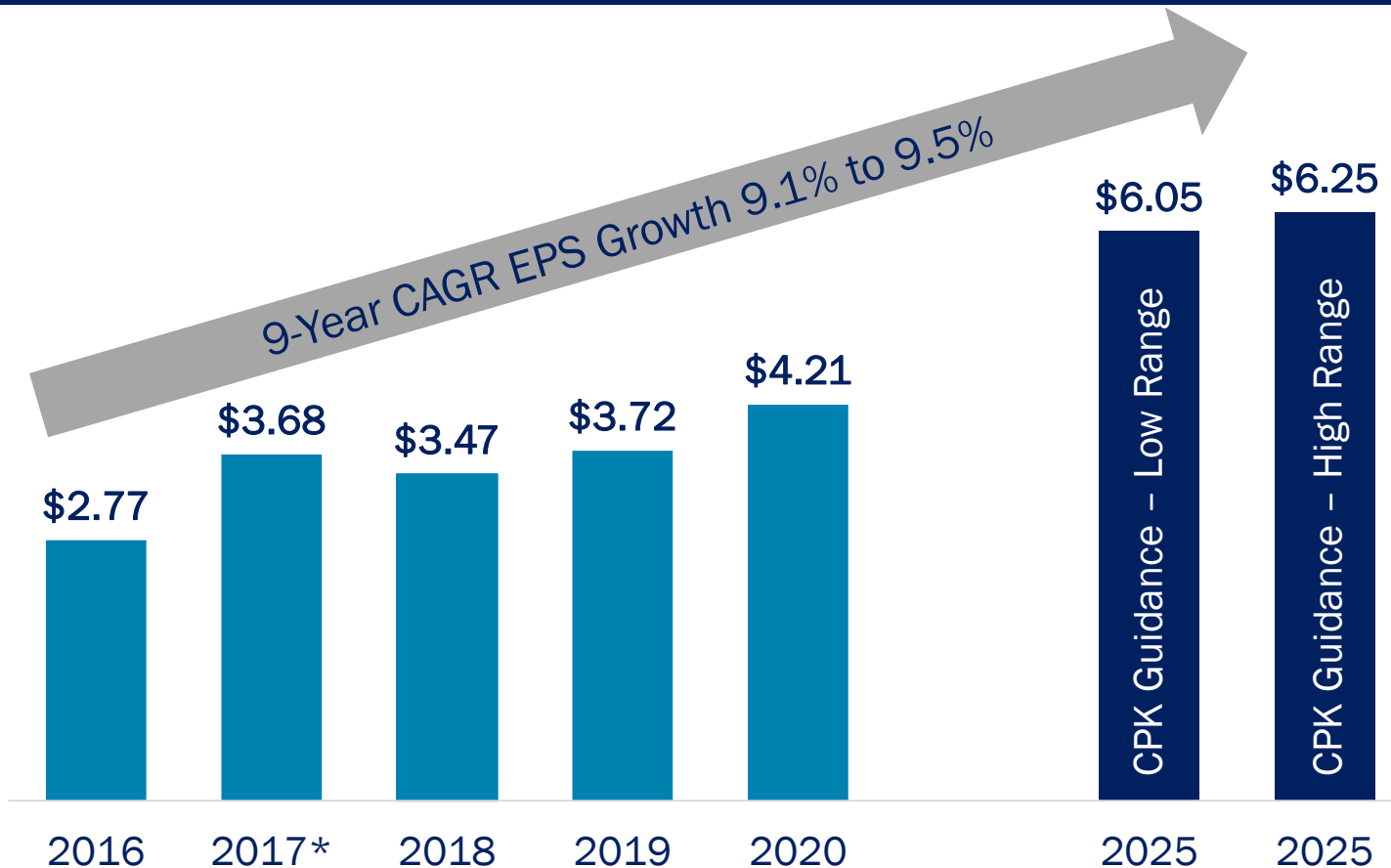
5-year capital expenditure guidance 2021 thru 2025 up to \$1 billion



2021 Capital Forecast range increased and narrowed to \$185 million to \$200 million

Diluted Earnings per Share Guidance from Continuing Operations

Diluted Earnings Per Share from Continuing Operations Guidance through 2025



Strategic capital investments
continue to drive earnings growth.

In Memory of Eugene (Gene) H. Bayard



- Was nominated to Chesapeake Utilities Corporation's Board of Directors in 2006
- Served as member of Corporate Governance Committee
- Extensive expertise in the Delaware legal community, home of the nation's preeminent forum for Delaware corporations and other business entities
- Served in numerous business and community board capacities across Delaware

Gene Played an Instrumental Role in CPK's Success Over the Last 15 Years

Investment Proposition

Committed to Superior Performance

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

- Capitalizing on new organic growth and operational efficiencies
- Investing in pipeline systems that provide natural gas service to downstream customers
- Identifying propane opportunities to access new markets with significant growth potential
- Pursuing virtual pipeline opportunities given Marlin capabilities (CNG, LNG, RNG)
- Expanding our RNG footprint by using our energy delivery solutions and expertise throughout our service areas
- Investing in our diverse talented team
- Engaging with communities where we work and live
- Driving brand excellence through safety awards, top workplace, employee engagement and community service



Financial Objectives in Support of Increased Shareholder Value:

- Investing \$750 million to \$1 billion through 2025
- Targeting 2025 EPS \$6.05 to \$6.25
- Seeking 11.0% or higher consolidated return on equity
- Pursuing dividend growth supported by earnings growth
- Maintaining a strong balance sheet

Average Annualized Shareholder Return For Periods Ending October 31, 2021

1 Year	3 Year	5 Year	10 Year	20 Year
37%	20%	17%	19%	16%

Standing Strong. Embracing Change. **Shaping Our Future.**



Thank You

