

Driven By **Energy**

Sidoti & Company, LLC
2020 Investor Conference
September 23-24, 2020

Commitment
Growth
Leadership
Safety
Sustainability
Solutions

Strength
Team
Service
Performance
Community
Value

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' 2019 Annual Report on Form 10-K, the Form 10-Q for the quarter ended June 30, 2020 filed with the SEC and other 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.

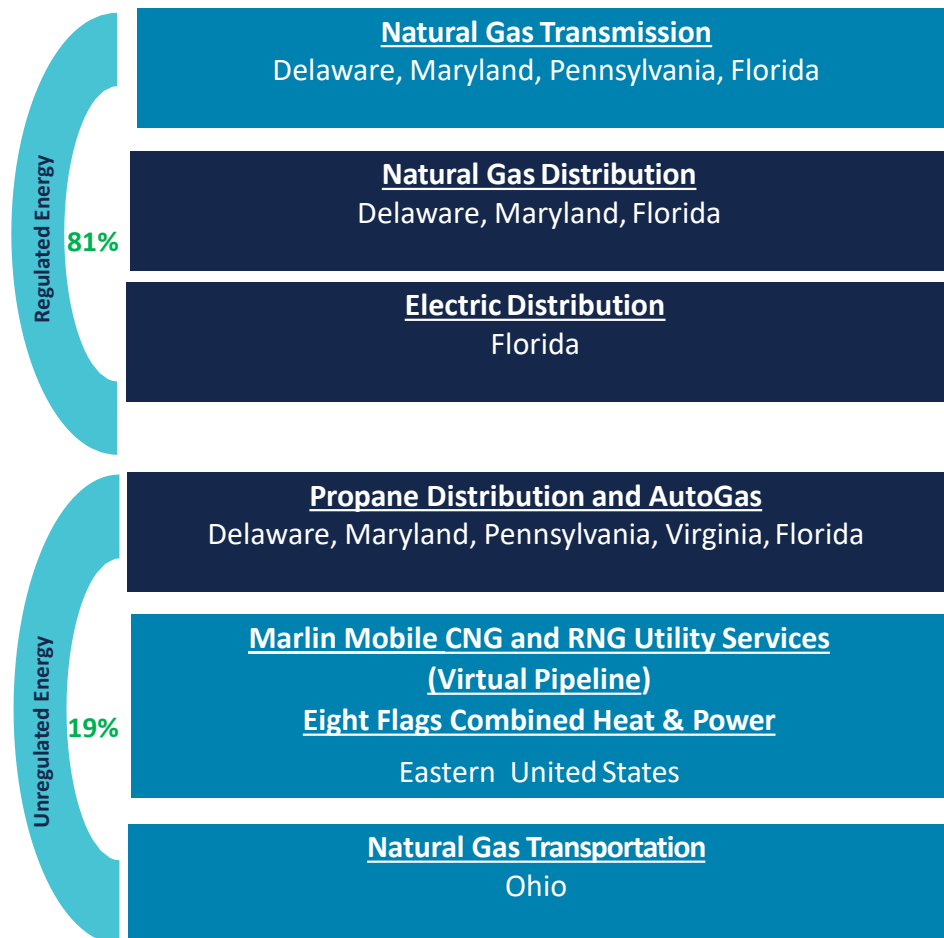
Gross Margin (non-GAAP measure): Gross Margin is determined by deducting the cost of sales from operating revenue. Cost of sales includes the purchased fuel cost for natural gas, electric and propane distribution operations and the cost of labor spent on different revenue-producing activities and excludes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

COVID-19 Impact: At this time, we cannot fully quantify the impact that the Coronavirus Disease 2019 ("COVID-19") will have on the economy, and more particularly, on Chesapeake Utilities Corporation ("Chesapeake Utilities" or the "Company"). The earnings and capital estimates we have included herein do not reflect any estimates of the potential impact. For the second quarter and year-to-date we have provided financial accounting estimates of the short-term impact of COVID-19. 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.

Please note that Chesapeake Utilities Corporation (NYSE: CPK) is not affiliated with Chesapeake Energy (NYSE: CHK), an oil and natural gas exploration company headquartered in Oklahoma City, Oklahoma.

Business Overview

Diversified Energy Delivery Business



Midstream
38%

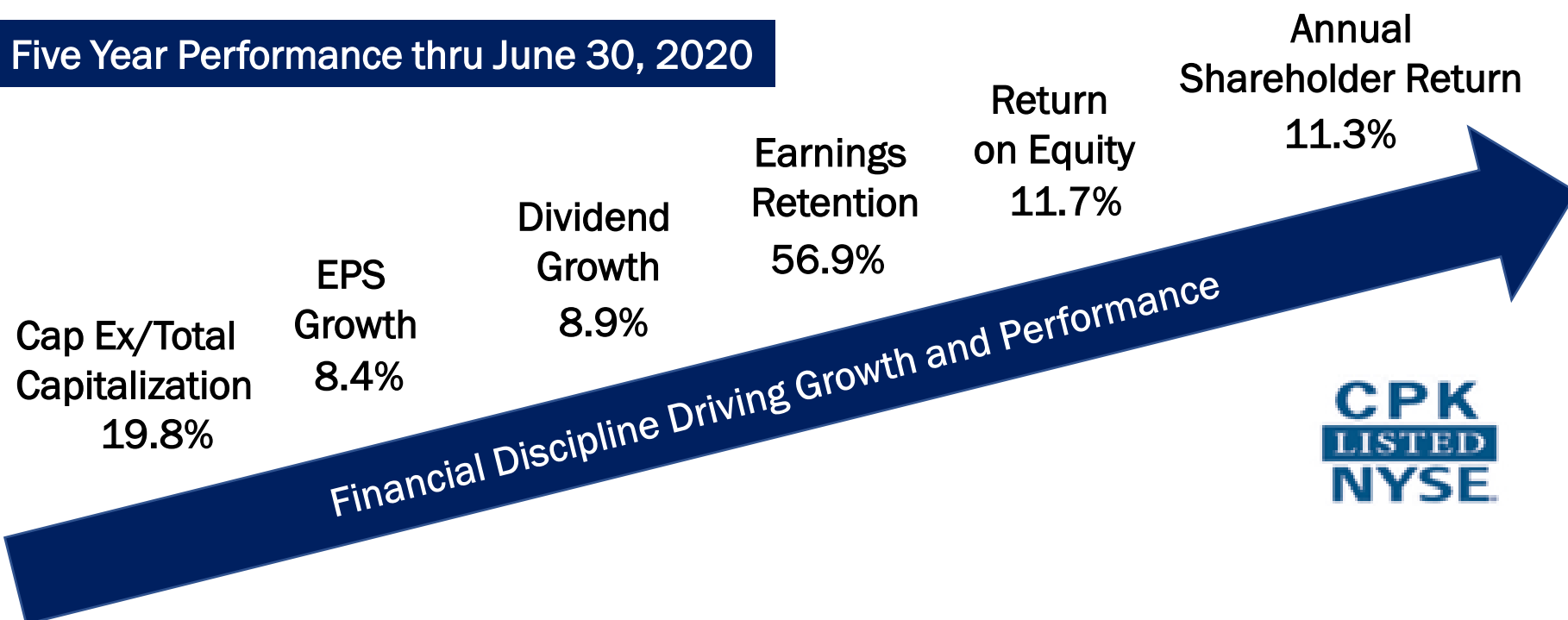
Downstream
62%

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

Our successful track record of performance is driven by the entrepreneurial spirit of our employees as we consistently deliver safe, secure, reliable and efficient service and energy solutions that are environmentally and economically smart.



Five Year Performance thru June 30, 2020



Commitment to Employees, Customers and Communities

Employees

- Premium pay to field employees through June
- Chrome books for children of employees to do their school work
- Social distancing protocols in effect along with personal protective equipment, where appropriate
- Employees working remotely as much as possible
- Company holiday in May

Customers

- Our distribution and transmission businesses are considered essential businesses
- Suspended service disconnects, waived late fees, extended payment terms, etc.
- Proactively promoting budget programs and payment options to customers

Communities

- Everyday commitment to local communities
- \$238,000 in contributions to local organizations to aid in the fight against the COVID-19 impact
- Chesapeake is matching employee donations to local community organizations

Investors/Financial Community

- Reaffirm 2022 EPS target \$4.70 to \$4.90 and Capital investment target range of \$750 million to \$1 billion 2018 thru 2022
- Growth projects and business development activities continue as planned
- Strong balance sheet and liquidity position to provide adequate capital for growth
- Dividend growth of 8.6% in 2020 driven by EPS growth
- Established At-The-Market Equity Program
- Renewing Short-term Bank Credit Facilities



Driven by Commitment

Earnings Per Share			
Second Quarter		Year-to-Date	
2020	2019	2020	2019
\$ 0.66	\$ 0.50	\$ 2.42	\$ 2.25

Strong performance for the first half of 2020 :

- Continued growth in the Company's businesses
- Addition of the Boulden acquisition
- Retail propane margins per gallon
- Expense management
- Gains from property sales overcame milder weather and the impact of COVID-19
- Interim billings related to Hurricane Michael recovery have been deferred pending final regulatory approval

Our diverse and engaged employees' ability to execute during these challenging times is demonstrated by our strong performance and significant business achievements during the quarter. Generating increased performance quarter-over-quarter, as well as on a year-to-date basis, was a significant accomplishment in the midst of the COVID-19 pandemic.

We have continued to remain extremely focused on employee and customer health and safety as we safely and reliably deliver our essential energy services during this global pandemic.

Key Business Factors: COVID-19 Impact

- *Chesapeake Utilities is an “essential business” to our customers and communities. As such, our operational activities and construction projects continue; all the while, we are adhering to safety guidelines and social distancing.*
- *The Company’s pandemic response plan, which has included all employees who can to telework, and providing personal protective equipment (PPE) to those customers who have continued to operate in the field delivering our essential services.*

Margin

- For the three and six months ended June 30, 2020, respectively, the COVID-19 impacts were \$2.5 million and \$2.9 million, respectively
- Primarily driven by reduced consumption of energy largely in the commercial and industrial sector
- COVID-19 margin decreases offset by higher residential use due to stay at home provisions

Expenses

- Additional expenses incurred in support of the ongoing delivery of our essential services during these unprecedented times (\$1.8 million for Second Quarter and Year-to-Date)
- Personal protective equipment cost, premium pay for field operations and higher bad debt expense
- COVID-19 related expenses offset by reduced travel cost and lower financing costs

Regulatory

- As the COVID-19 pandemic is ongoing, the Company to date has not established regulatory assets associated with the incremental expense impact, as currently authorized by Maryland and Delaware PSCs
- In Florida, the PSC has decided not to address a Regulatory asset Statewide, but rather for each independent utility request with a petition. We have filed in Florida to establish a regulatory asset associated with the net expense impact of COVID-19.
- No significant COVID-19 on our FERC Regulated interstate transmission line

Capital Expenditures Forecast

Estimate for 2020

<i>(dollars in thousands)</i>	Forecast for Fiscal 2020	
	Low	High
Regulated Energy:		
Natural gas distribution	\$ 75,000	\$ 80,000
Natural gas transmission	70,000	80,000
Electric distribution	5,000	7,000
Total Regulated Energy	150,000	167,000
Unregulated Energy:		
Propane distribution	10,000	13,000
Energy transmission	10,000	15,000
Other unregulated energy	14,000	19,000
Total Unregulated Energy	34,000	25,000
Other:		
Corporate and other businesses	1,000	1,000
Total 2020 Capital Expenditures	<u>\$ 185,000</u>	<u>\$ 215,000</u>

The Company's capital expenditures were \$88.4 million for the six months ended June 30, 2020. We will continue to update this forecast as we move through the year, including any unexpected capital delays resulting from COVID-19.

Recent and Current System Expansions

Natural Gas Services to New Territories

Recently Completed

ESNG 2017
System Expansion
Project (Delmarva
Peninsula)

Northwest Florida
Expansion

Auburndale
Expansion (FL)

Callahan
Expansion (FL)
In Service June
2020

Elkton LDC
Natural Gas
Acquisition

Projects Underway

West Palm Beach
County Expansion
(Florida)
Full Service Q3
2020

Del-Mar Energy
Pathway
Expansion
Full Service Q4
2021

Guernsey Pipeline
Expansion (Ohio)
Partial Service Q4
2021

RNG
Transportation
(Delmarva)
2021

Major Projects and Initiatives

Gross Margin Contributions

Project/Initiative <i>in thousands</i>	Gross Margin for the Period						
	Three Months Ended		Six Months Ended		Year Ended	Estimate for	
	June 30,		June 30,		December 31,	Fiscal	
	2020	2019	2020	2019	2019	2020	2021
Pipeline Expansions							
Western Palm Beach County, Florida Expansion ⁽¹⁾	\$ 967	\$ 161	\$ 1,968	\$ 293	\$ 2,139	\$ 4,092	\$ 5,227
Del-Mar Energy Pathway ⁽¹⁾	452	189	641	353	731	2,398	4,100
Auburndale	170	—	340	—	283	679	679
Callahan Intrastate Pipeline (including related natural gas distribution services)	536	—	536	—	—	4,039	7,564
Guernsey Power Station	—	—	—	—	—	—	700
Total Pipeline Expansions	2,125	350	3,485	646	3,153	11,208	18,270
Virtual Pipeline Growth							
Compressed Natural Gas Transportation	2,107	1,030	3,454	3,359	5,410	6,900	7,700
Renewable Natural Gas Transportation	—	—	—	—	—	—	1,000
Total Virtual Pipeline Growth	2,107	1,030	3,454	3,359	5,410	6,900	8,700
Acquisitions							
Boulden Propane	549	—	2,437	—	329	3,800	4,200
Elkton Gas	—	—	—	—	—	1,207	3,992
Total Acquisitions	549	—	2,437	—	329	5,007	8,192
Regulatory Initiatives							
Florida GRIP	3,609	3,530	7,305	7,311	13,939	15,206	16,898
Hurricane Michael regulatory proceeding	—	—	—	—	—	TBD	TBD
Total Regulatory Initiatives	3,609	3,530	7,305	7,311	13,939	15,206	16,898
Total	\$ 8,390	\$ 4,910	\$ 16,681	\$ 11,316	\$ 22,831	\$ 38,321	\$ 52,060

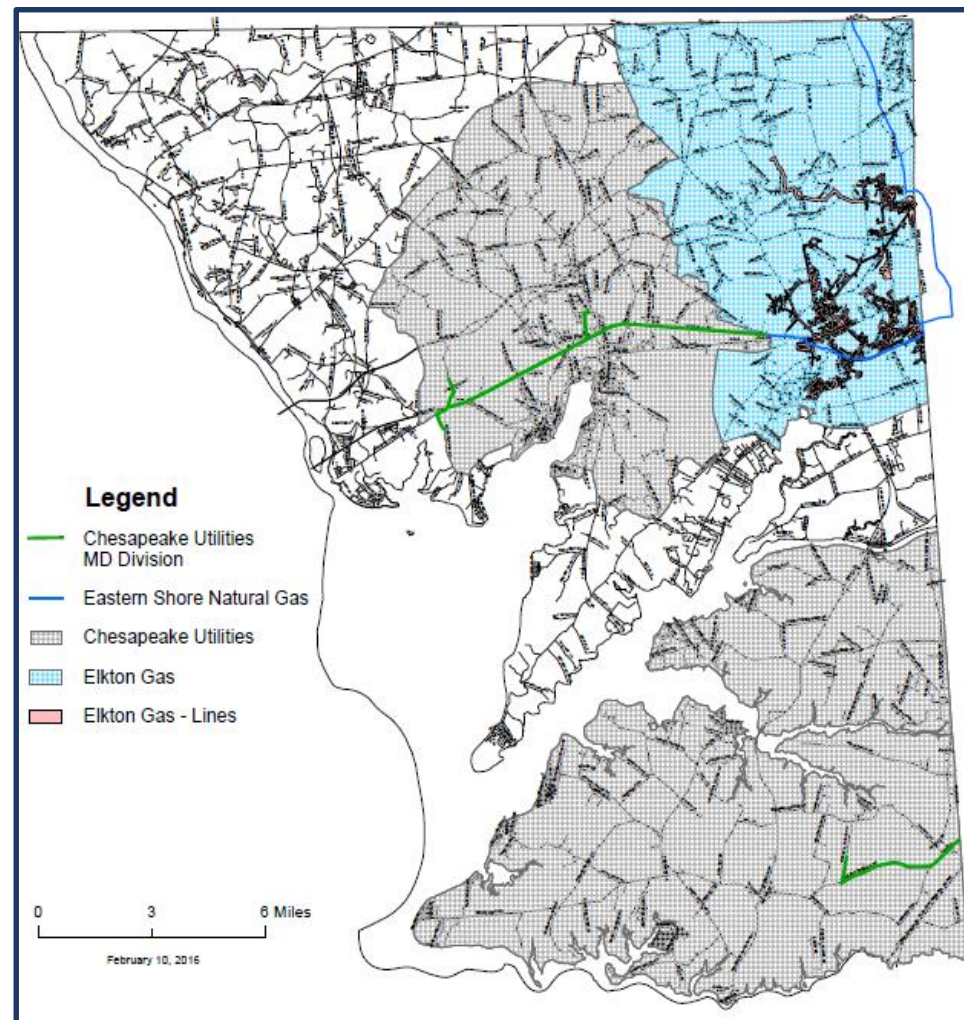
⁽¹⁾ Includes margin generated from interim services.

Elkton Gas Company

Summary of Transaction

Acquisition Completed

- Chesapeake Utilities and South Jersey Industries completed the agreement for the acquisition of Elkton Gas Company at a price of approximately \$15 million on July 31, 2020.
- Elkton Gas serves approximately 7,000 customers within a franchised area of Cecil County, Maryland contiguous to Chesapeake's franchised service territory in Cecil County
- Elkton Gas has been a customer of Chesapeake's interstate transmission pipeline since 1959.
- With the expanded presence in Cecil County, the gas distribution system can be serviced locally with Chesapeake personnel



Renewable Natural Gas

Waste products are converted to Biogas in an anaerobic digester. The raw Biogas does not meet gas pipeline quality standards. An upgrading (clean-up) process, similar to the gas processing CPK currently operates in Ohio, is required to produce Biomethane, typically referred to as Renewable Natural Gas (RNG) prior to pipeline injection.

What is biogas?

Produced from decomposing organic material without presence of oxygen:

- 50-65% CH₄
- 35-50% CO₂
- Trace impurities (H₂S, VOCs, etc.)

RNG (biomethane) advantages

- Drop-in substitute for natural gas
- 100% renewable - no new carbon
- Upcycles low-grade organic waste into high-value, low-carbon energy source



What is biogas upgrading?

- Cleanse impurities
- Separate CO₂ from CH₄
- Meet pipeline or vehicle specifications

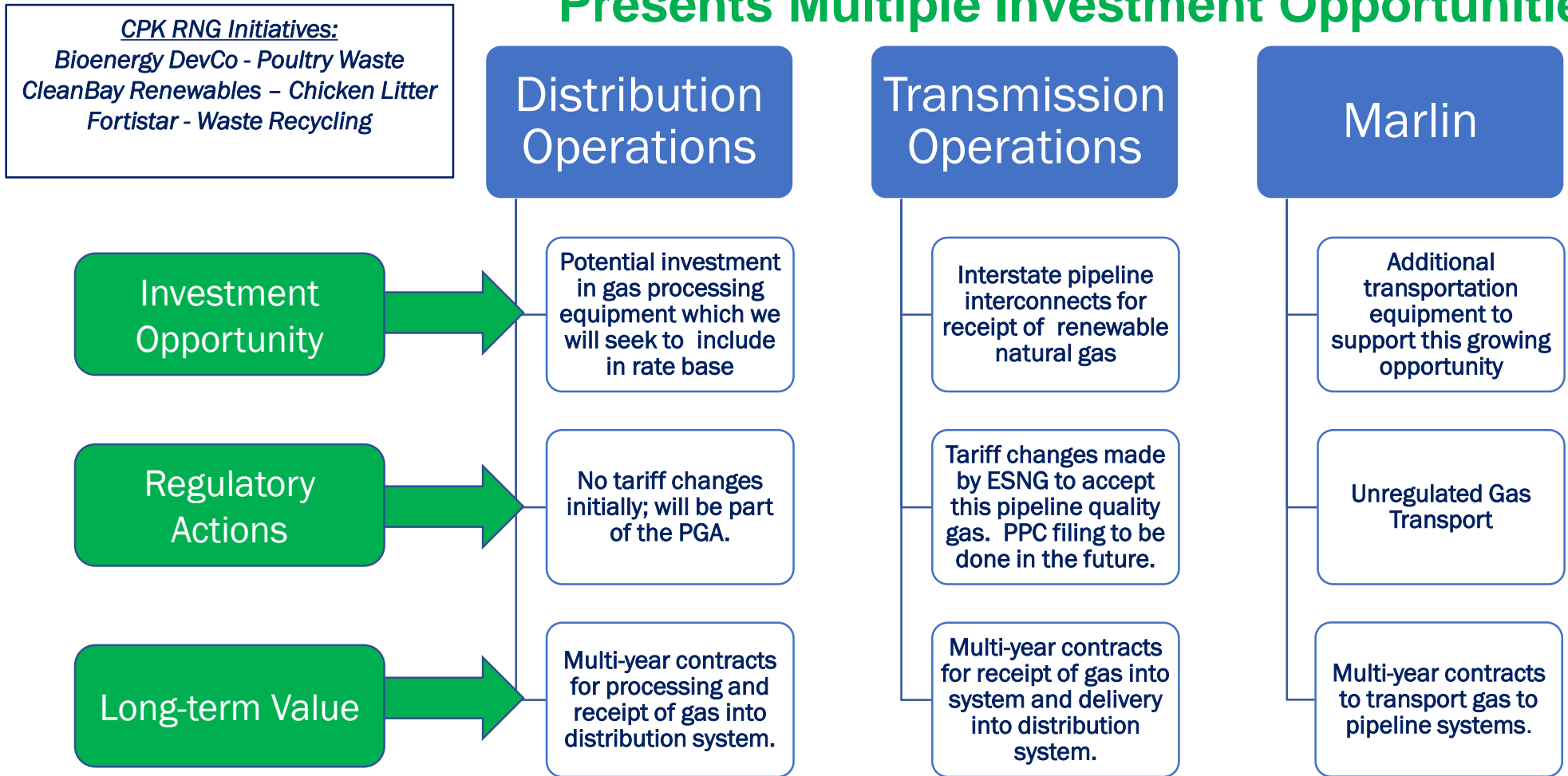
MARLIN
GAS SERVICES

EASTERN SHORE
NATURAL GAS

CHESAPEAKE
UTILITIES

CPK's Renewable Natural Gas Proposition

Presents Multiple Investment Opportunities



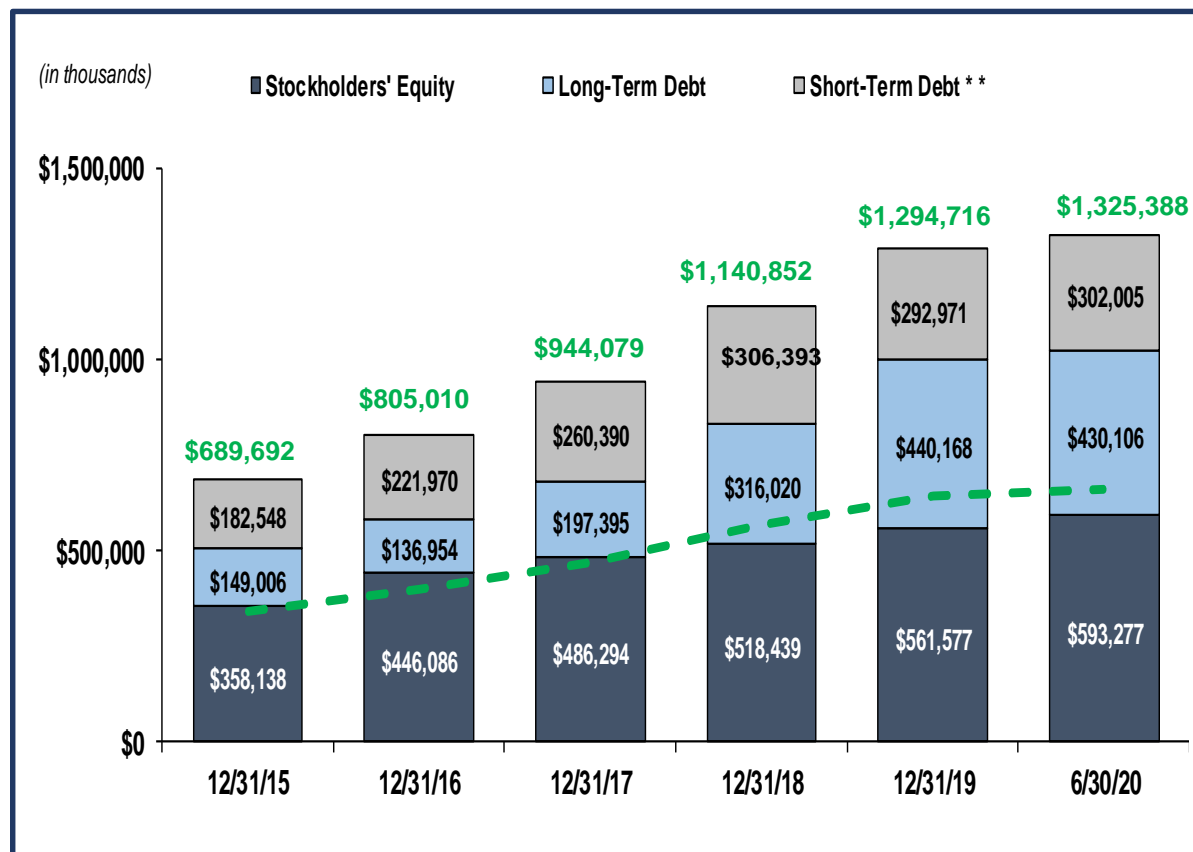
- *As a result of the Bioenergy DevCo and CleanBay projects, the Company expects to generate \$1.0 million in incremental margin in 2021 from renewable gas transportation.*
- *These projects provide the opportunity for the Company to utilize renewable natural gas, and play an active role in the clean-up of poultry waste as well support the sustainability of agribusiness on Delmarva.*
- *There are numerous profitable investment opportunities across the CPK value chain as we play a key role in ensuring a sustainable future for our local communities.*

Key Regulatory Initiatives

Hurricane Michael Limited Proceeding

- *October 2018 Hurricane Michael – Northwest Florida*
 - *August 2019 FPU filed limited proceeding with Florida PSC*
 - *September 2020 FPU receives approval of a Settlement Agreement with OPC for final rates.*
-
- *Requested recovery of storm related costs through a change in base rates and a surcharge*
 - *Requested certain storm related costs as a regulatory asset for costs not allowed through the storm reserve, as well as the recovery of plant investment*
 - *Final rates approved in September 2020 effective November 2020.*
 - *FPUC expended nearly \$70 million in this restoration effort, including approximately \$40 million of storm related restoration costs and approximately \$30 million of plant related investments.*
 - *The settlement enables the Company to recover the storm related restoration costs and earn a return on the plant related investments. Additional information will be included in the Company's third quarter Quarterly Report on Form 10-Q regarding the financial impacts of this approved settlement.*

Capital Capacity to Support Future Growth



Equity/Permanent Capitalization	70.6%	76.5%	71.1%	62.1%	56.1%	58.0%
Equity/Total Capitalization	51.9%	55.4%	51.5%	45.4%	43.4%	44.8%

****Short-term Debt Includes Current Portion of Long-Term Debt**
Green Line Shows 50% Equity to Total Capital Target

Available Financing Capacity

- \$370 million bank lines of credit through October 2020; in the process of renewing short-term debt facilities
- Anticipate terminating unused \$95 million incremental liquidity expiring October 2020
- \$90 million LTD funded Third Quarter 2020
 - 15 Years at Average 2.98%
- \$310 million private placement shelf facilities available for additional financing needs

Chesapeake seeks to align permanent financing with the in-service dates of its capital projects

- \$31.7 million increased equity year-to-date
 - \$25.8 million earnings retention
 - \$ 4.1 million issued under stock plans
 - \$ 1.8 million other comprehensive income
- \$75 million ATM Program Filed 8/17/2020

Target Equity to Total Capitalization Ratio of 50% or Higher

- We remain steadfast in our commitment to environmental, social and governance stewardship.
- The key to our success is our strong culture that fully engages all of our team members.
- We are a responsible company that promotes safety, integrity, accountability and reliability
- Our diverse, talented and hard-working team is the drive behind our strategic growth and our commitment to providing safe, reliable, sustainable and efficient energy solutions to customers.
- Our corporate governance is the foundation of our processes and our decision-making throughout the Company, beginning with our Board of Directors and extending to every employee.
- We continue to cultivate the Chesapeake Utilities' sustainability story.



ESG At Our Core

Women in Utilities Webinar – **Be Extraordinary Everyday** by Demonstrating Diversity.



Delivering Natural Gas To Somerset County, Maryland, To Support Environmentally Conscious Economic Growth

The Somerset County Expansion Project will deliver natural gas service to Somerset County, Maryland. It will extend natural gas service to the Eastern Correctional Institution and the University of Maryland Eastern Shore, helping to improve each facility's environmental profile while offering significant economic benefits to the area. Residents and businesses along the line will also have the choice to use environmentally beneficial and less expensive natural gas service.

Equity, Diversity and Inclusion Council Promotes our Workplace Culture.

Measures to help keep employees, customers and communities **safe and healthy** during the COVID-19 pandemic.

During these extraordinary times, we are **honored to support** our customers and communities, including United Way, Salvation Army and Feeding America.

Although apart,
we can come together
for a common goal this
Earth Day



Partnering with CleanBay Renewables to Increase Sustainable Energy in the Delmarva Community

We recently announced a new partnership with CleanBay Renewables Inc. (CleanBay), an enviro-tech company focused on the production of sustainable renewable natural gas, which will generate greenhouse gas credits associated with vehicular usage, and provide Chesapeake Utilities the opportunity to bring additional renewable natural gas to its Delmarva operations.

Next Steps in Our Sustainable Renewable Natural Gas Strategy

We partnered with Bioenergy DevCo (BDC), a leading global developer of anaerobic digestion facilities that creates renewable energy and healthy soil products from organic material. The joint project involves removing excess organics from poultry waste and converting it into Renewable Natural Gas.

Driving Our Actions

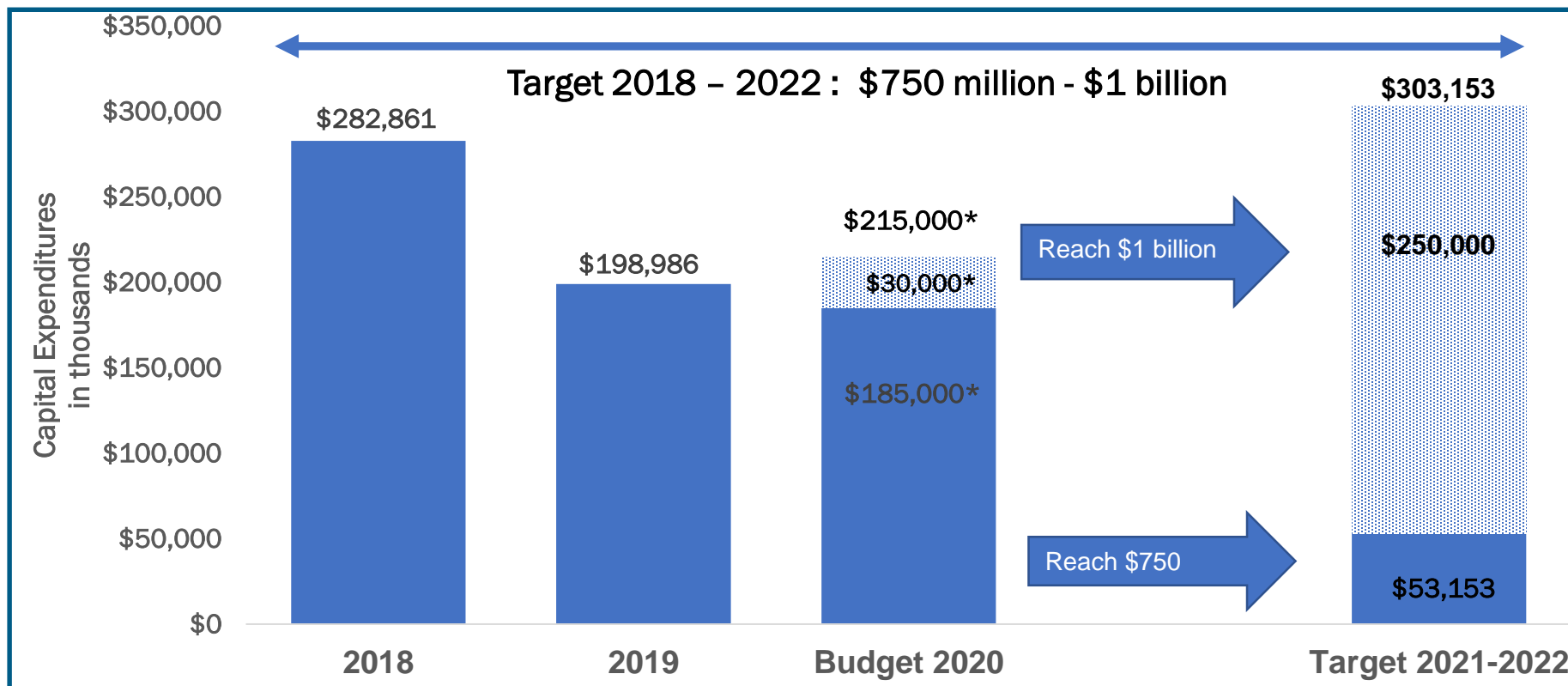
Focus on Shareholder Value and Growth

- High standards of safety and operational performance
- Optimize growth opportunities within rate, customer demand and market constraints
- Maintain a regulated/ unregulated business mix designed to produce better than utility returns and an acceptable level of risk
- New regulated and unregulated growth through greenfield projects, acquisitions and partnerships
- Focus on business units, services and products that align with our core business strengths
- Achieve Peer Group upper quartile performance in annual EPS, ROE, Dividend Growth and Total Shareholder Return
- Continue to evolve Chesapeake's organization structure, employee resources and development, operating practices and technology platforms to keep pace with the Strategic Growth Plan
- Sustain our successful culture, our special sauce, including our positive relationships with employees, customers, communities we serve, regulatory bodies and investors



Capital Investment Guidance

Continued Record Investment in Our Business to Drive Growth

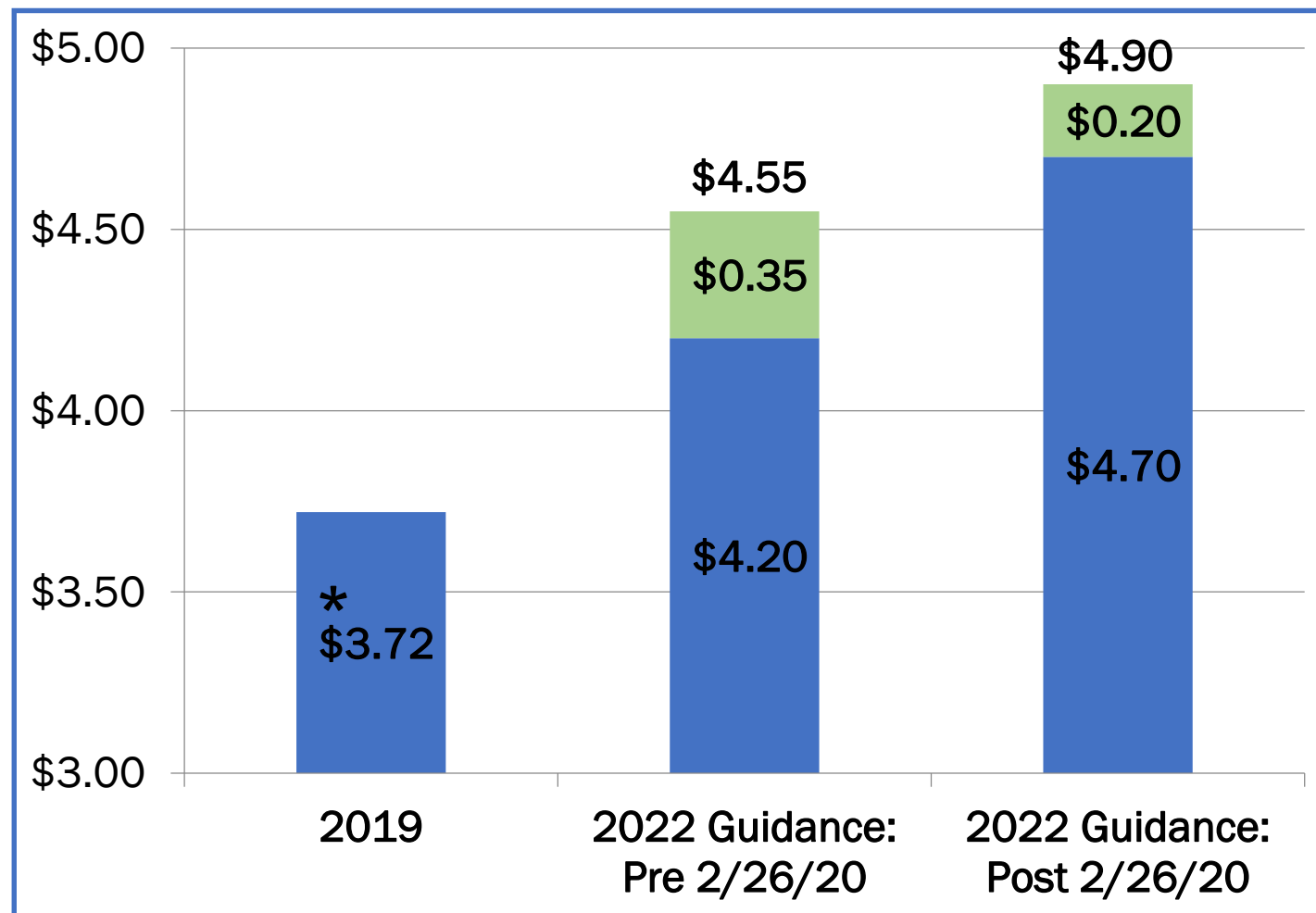


*We will continue to update this forecast as we move through the year, including any capital deployment delays resulting from COVID-19.

Management reaffirms its five year capital expenditure guidance of \$750 million to \$1 billion. From 2018 through June 30, 2020, the Company has invested \$570 million on new capital expenditures.

Reaffirm 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.

** 2019 EPS \$3.72 from Continuing Operations*

- *Strong earnings for the second quarter despite the uncertain challenges of the COVID-19 pandemic.*
- *Engaged in expense management across the Company and operational efficiency in this new business normal situation.*
- *Excited about our recently completed Elkton Gas acquisition, and our commitment to renewable natural gas to support sustainability of the Delmarva agribusiness industry and improving the environmental health of the Chesapeake Bay.*
- *Regulatory proceeding for Hurricane Michael is underway but not included in year-to-date results.*
- *We affirm our strategic planning guidance for 2022:*
 - *Capital Expenditures Range - \$750 million to \$1 billion*
 - *Earnings per Share - \$4.70 to \$ 4.90.*
- *Focused on employee and customer health and safety as we deliver our essential energy services*

Driven By Energy



Thank You!



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Appendix

Long-Term Track Record Performance Metrics

Driving Shareholder Return



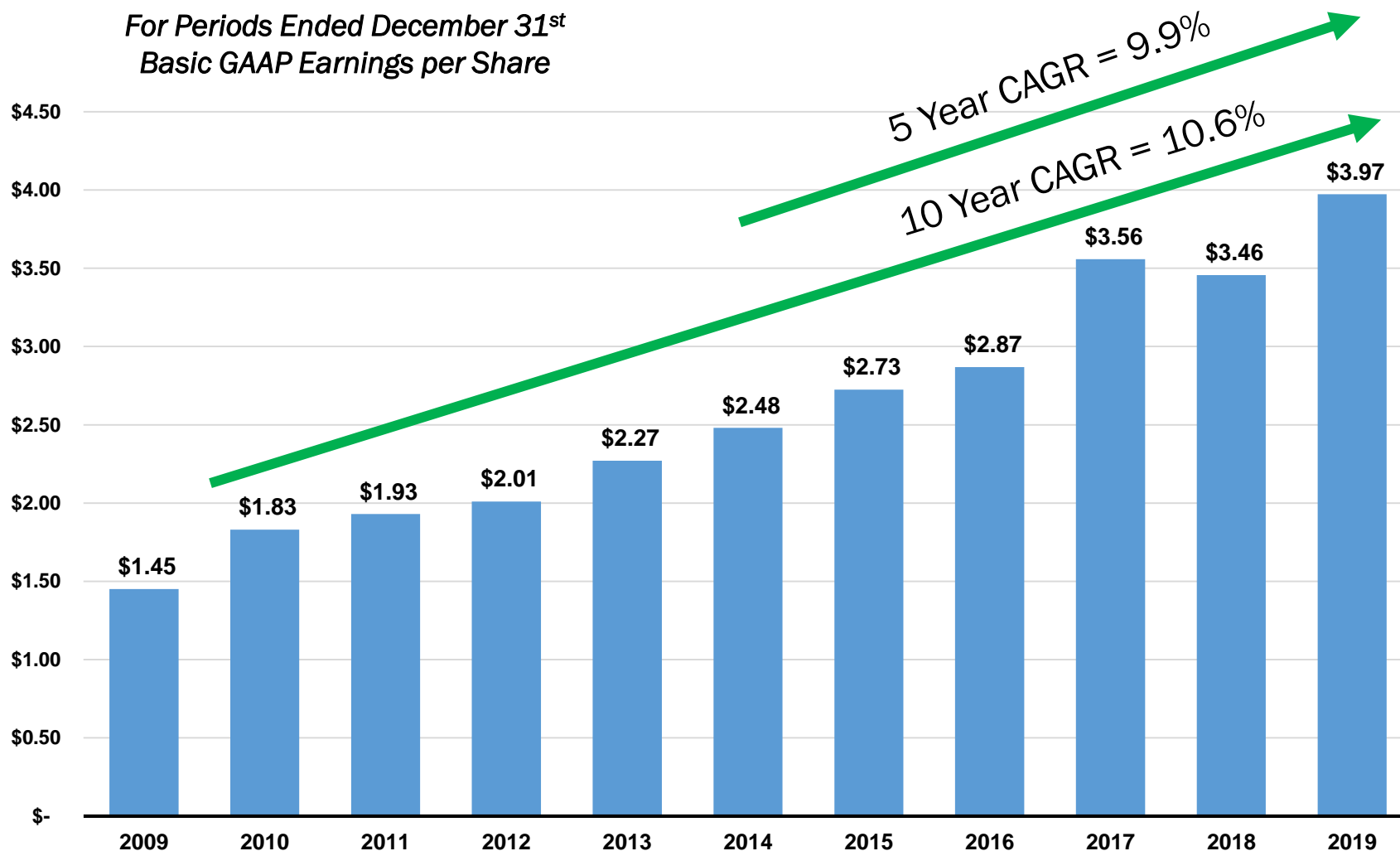
Organic Growth Opportunities Supplemented with Targeted Acquisitions

Historical Cap Ex & Acquisitions
In Millions



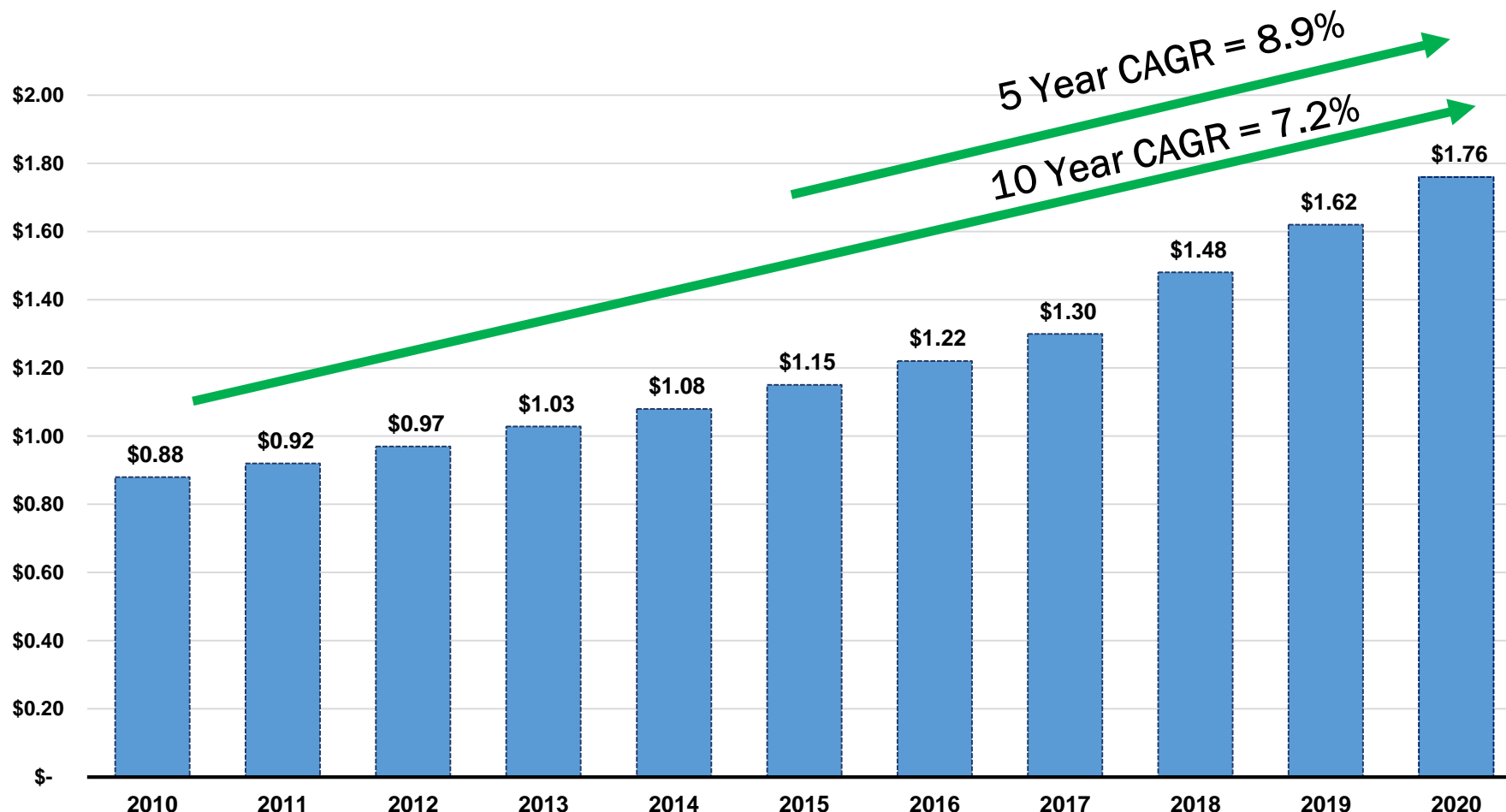
Growth in Earnings per Share

13 Years of Record Earnings



Strong Track Record of Dividend Growth

Driven by Earnings Growth

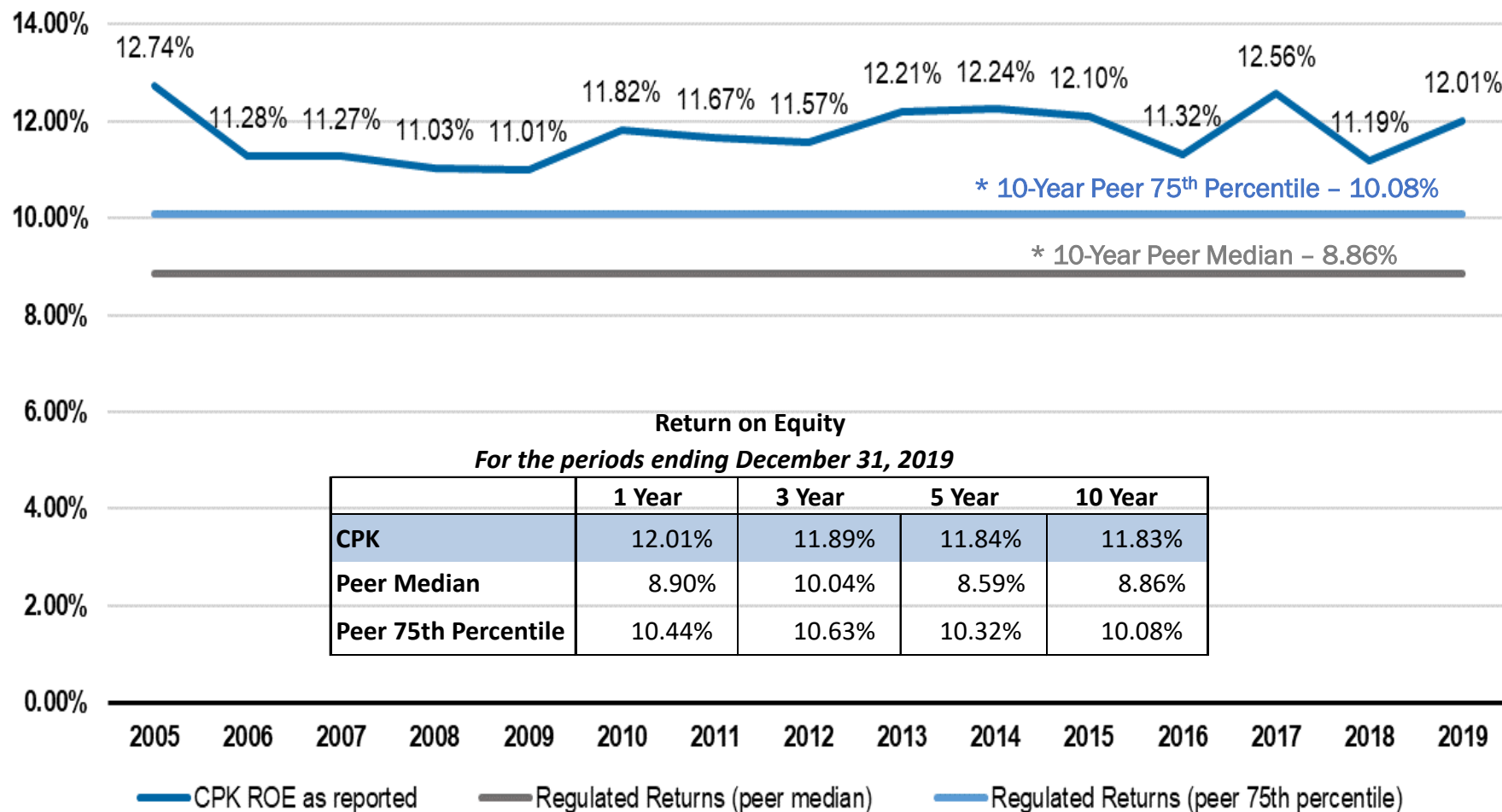


On May 7, 2020, the Board of Directors increased the annualized dividend to \$1.76 per share, an increase of 8.6%. The \$0.14 per share increase aligns our five year EPS growth rate of 9.9% with our five year dividend growth rate of 8.9%. The latest increase represents the 17th consecutive year of dividend growth, and will result in Chesapeake having doubled its dividend over the last ten years.

Solid Track Record of Higher Return on Equity (ROE)

Consistently Exceeding the Peer Median and 75th Percentile

ROE



* Normal Comparative Peer Group

Key Performance Metrics

Financial Discipline Driving Growth and Performance

Performance Metrics	Chesapeake Results					Chesapeake Percentiles compared to Performance Peer Group			
<i>For periods ending 06/30/20 unless otherwise noted</i>	1 Year	3 Year	5 Year	10 Year		1 Year	3 Year	5 Year	10 Year
Capital Expenditures / Total Capitalization	13.9%	21.1%	21.7%	21.5%		68.2%	100.0%	100.0%	100.0%
Earnings Per Share Growth (CAGR)	12.8%	17.3%	8.4%	9.2%		68.0%	99.3%	68.3%	87.4%
Return on Equity	12.0%	12.4%	11.7%	11.9%		96.8%	100.0%	99.4%	96.2%
Dividends Per Share Growth (CAGR)	8.6%	10.6%	8.9%	7.2%		94.2%	100.0%	91.8%	100.0%
Earnings Retention Ratio	57.4%	58.9%	56.9%	55.6%		90.1%	100.0%	100.0%	100.0%
Shareholder Return (CAGR)	-9.9%	5.7%	11.3%	17.7%		92.9%	89.7%	72.9%	91.6%
Top Quartile									
Above Median									

CPK is in the top quartile for 20/24 metrics (83%) and above the median for 24/24 metrics (100%).