



AGA Financial Forum

Growth • ESG • Business Transformation

MIAMI BEACH, FLORIDA

MAY 17-19, 2022

Today's Presenters



Jeff Householder

President, Chief Executive Officer



Beth Cooper

Executive Vice President,
Chief Financial Officer,
Treasurer 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



Forward Looking Statements and Other Statements

Safe Harbor Statement

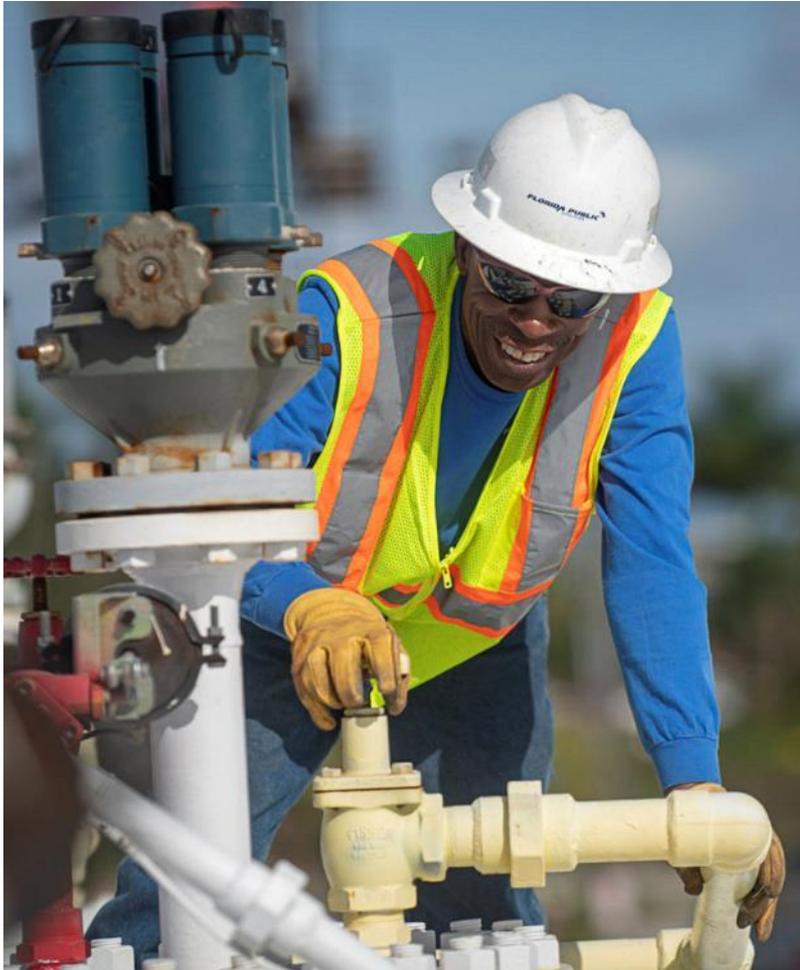
Some of the Statements in this document concerning future Company performance will be forward-looking within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements. You should refer to the additional information contained in Chesapeake Utilities' Annual Report on Form 10-K for the year ended December 31, 2021 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.

Non-GAAP Financial Information

This presentation includes non-GAAP financial measures including Adjusted Gross Margin. A "non-GAAP financial measure" is generally defined as a numerical measure of a company's historical or future performance that includes or excludes amounts, or that is subject to adjustments, so as to be different from the most directly comparable measure calculated or presented in accordance with GAAP. Our management believes certain non-GAAP financial measures, when considered together with GAAP financial measures, provide information that is useful to investors in understanding period-over-period operating results separate and apart from items that may, or could, have a disproportionately positive or negative impact on results in any particular period. A reconciliation of GAAP to non-GAAP financial measures is included in the appendix of this presentation.

The Company calculates Adjusted Gross Margin by deducting the purchased cost of natural gas, propane and electricity and the cost of labor spent on direct revenue-producing activities from operating revenues. The costs included in Adjusted Gross Margin exclude depreciation and amortization and certain costs presented in operations and maintenance expenses in accordance with regulatory requirements. Adjusted Gross Margin should not be considered an alternative to Gross Margin under US GAAP which is defined as the excess of sales over cost of goods sold. The Company believes that Adjusted Gross Margin, although a non-GAAP measure, is useful and meaningful to investors as a basis for making investment decisions. It provides investors with information that demonstrates the profitability achieved by the Company under the Company's allowed rates for regulated energy operations and under the Company's competitive pricing structures for unregulated energy operations. The Company's management uses Adjusted Gross Margin as one of the financial measures in assessing a business unit's performance. Other companies may calculate Adjusted Gross Margin in a different manner.

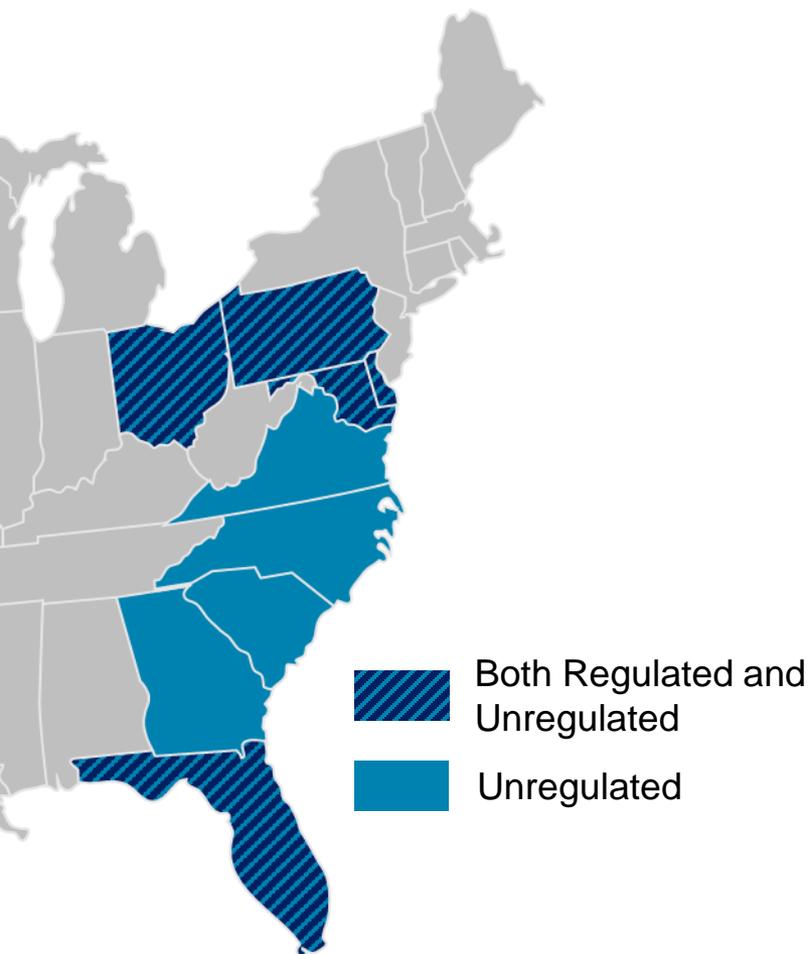
Chesapeake Utilities Overview



- **160+** – Years delivering energy
- **~1,000** – Employees at Dec. 31, 2021
- **~300,000** – Distribution customers
- **\$2.1 billion** – Total Assets at March 31, 2022
- **15th** - Consecutive year of earnings growth*
- **2x** – Doubled Net Income over last 6 years
- **1st** – RNG transportation project completed in 2021
- **61** – Consecutive years paying a dividend
- **19th** – Consecutive year increasing annualized dividend per share

Diversified Portfolio of Energy Solutions

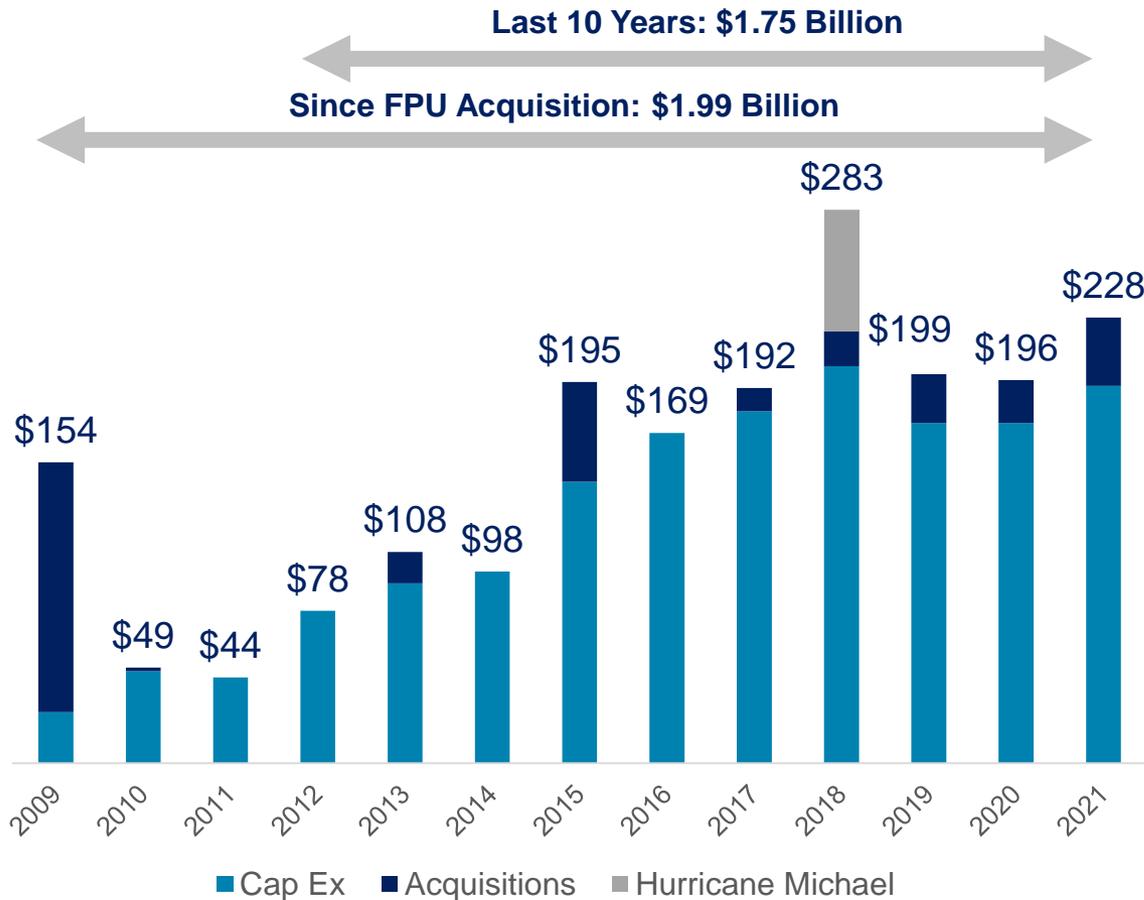
With an Expanding Footprint



Business Line	States Served
Regulated Energy Segment	
Natural Gas Transmission	DE, FL, MD, PA, OH
Natural Gas Distribution	DE, MD, FL
Electric Distribution	FL
Unregulated Energy Segment	
Propane Distribution	PA, DE, MD, VA, NC, SC, FL
Natural Gas Pipeline System	OH
CNG Services	Multiple – Including New CNG Fueling Station in GA
CHP Generation	FL
RNG Opportunities	Multiple – Including recent RNG project in OH

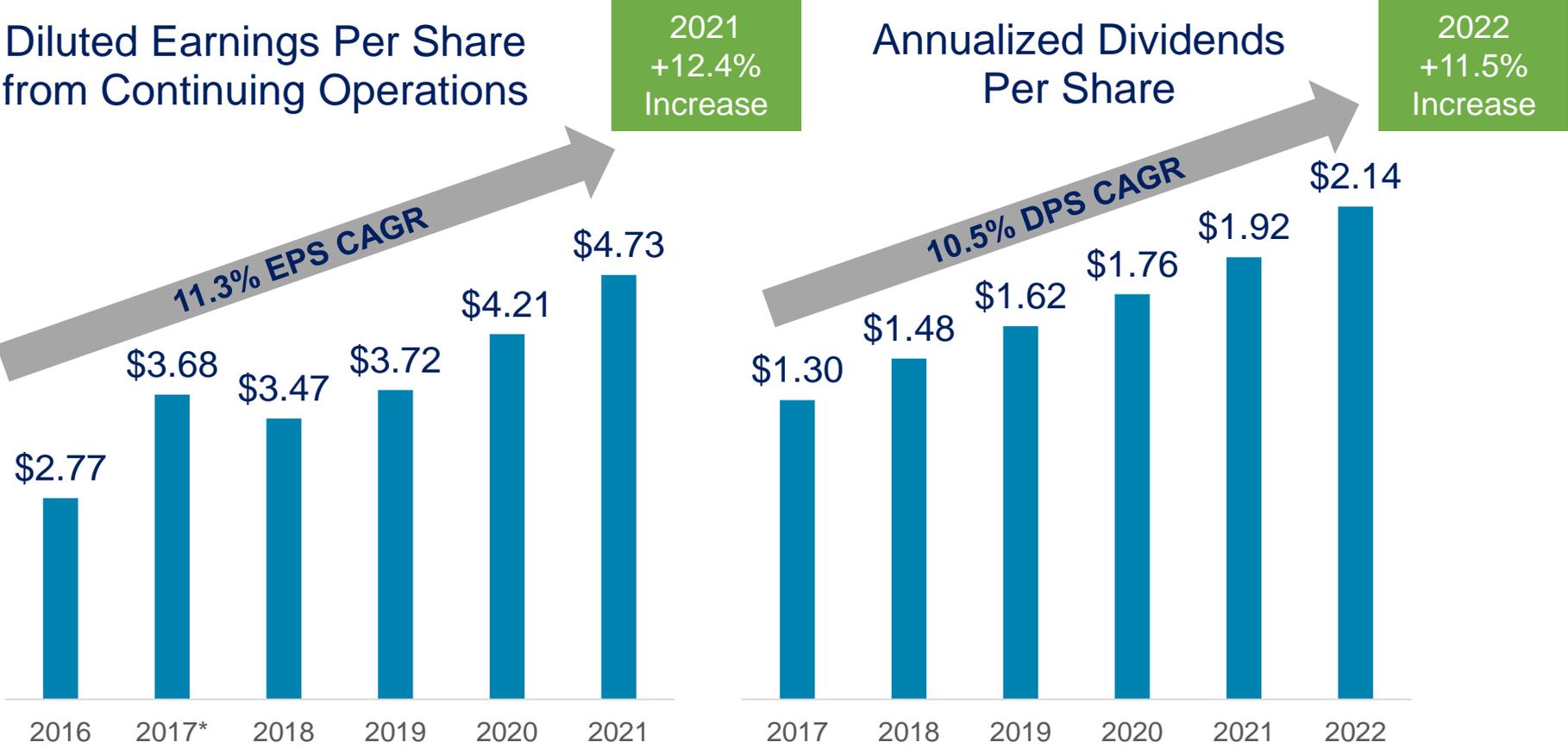
Capital Investment Has Driven Earnings Growth

Historical Capital Expenditures and Acquisitions



Earnings Growth Supporting Dividend Growth

Chesapeake's Board Approved an 11.5% Increase to the Annualized Dividend Per Share

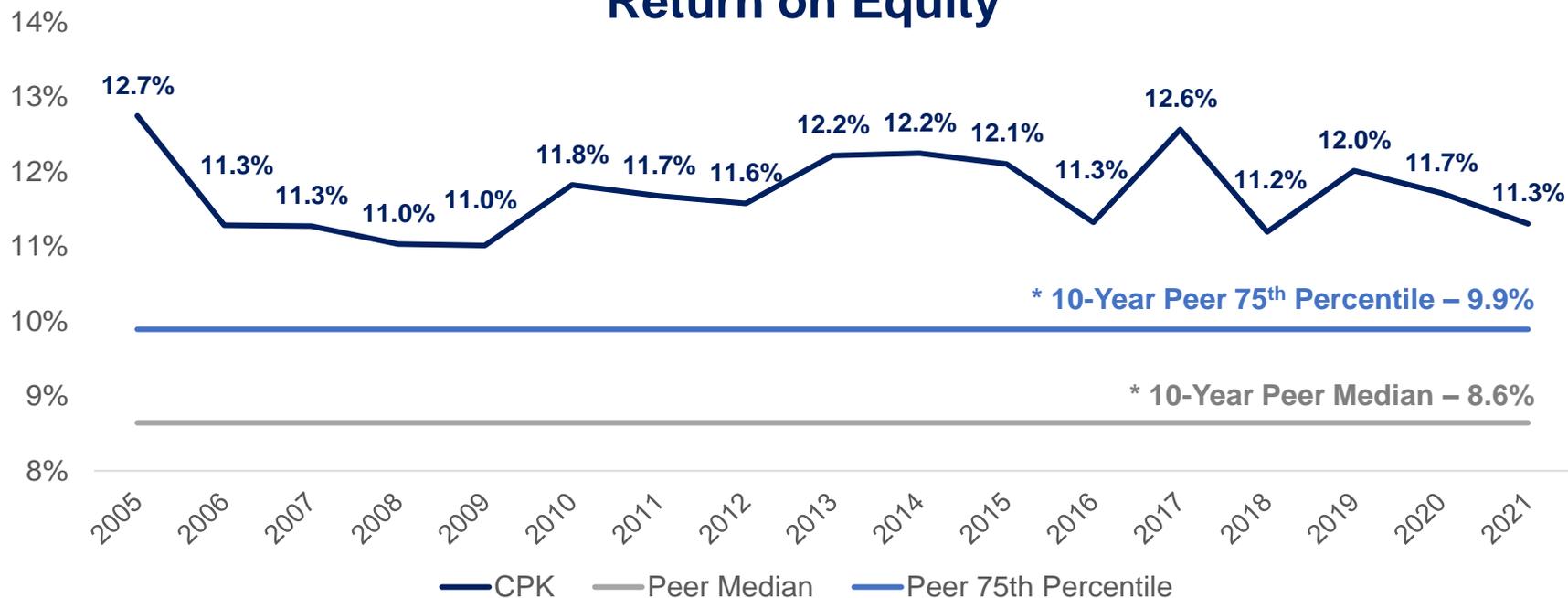


* 2017 Includes TCJA Impact

Solid Return on Equity Track Record

Consistently exceeding peer 75th percentile

Return on Equity



17 years with 11%+ Return on Equity

Financial Metrics Performance

Performance Metrics	CPK Results				Chesapeake Percentiles Compared to Performance Peer Group			
	1yr	3yr	5yr	10yr	1yr	3yr	5yr	10yr
CapEx / Total Capitalization	13.3%	14.9%	18.1%	19.9%	81%	92%	100%	100%
EPS Growth (CAGR)	11.0%	11.1%	10.5%	9.4%	83%	90%	92%	90%
Return on Equity	11.4%	11.7%	11.7%	11.7%	100%	100%	99%	98%
DPS Growth (CAGR)	9.1%	9.1%	9.5%	7.6%	100%	100%	94%	100%
Earnings Retention Ratio	59.4%	59.0%	59.5%	58.1%	100%	100%	100%	100%
Shareholder Return (CAGR)	36.8%	23.6%	18.9%	20.1%	100%	100%	100%	100%

Industry leading financial performance is driving increased value

Capital Structure Overview

Strong Balance Sheet to Support Growth

	3/31/2022	12/31/2021
Stockholders' equity	\$ 805,512	\$ 774,130
Long-term debt, net of current maturities	597,878	549,903
Total permanent capitalization	\$ 1,403,390	\$ 1,324,033
Current portion of long-term debt	19,717	17,962
Short-term debt	140,865	221,634
Total capitalization and short-term financing	\$ 1,563,972	\$ 1,563,629
Equity to Permanent Capital	57.4%	58.5%
Equity to Total Capitalization	51.5%	49.5%
New Long-Term Debt Issuance	\$ 50,000	\$ 59,590
Net New Equity Issuance	\$ 2,563	\$ 22,774

Long-Term Debt

Avg. Interest Rate: 3.41%
\$50M: 2.95% issued in
March 2022

While competitively priced,
new long-term debt will increase
interest expense by ~\$1M
annually

Short-Term Debt

\$400 Million Facility
\$200M: LIBOR + 0.70%
\$200M: LIBOR + 0.95%

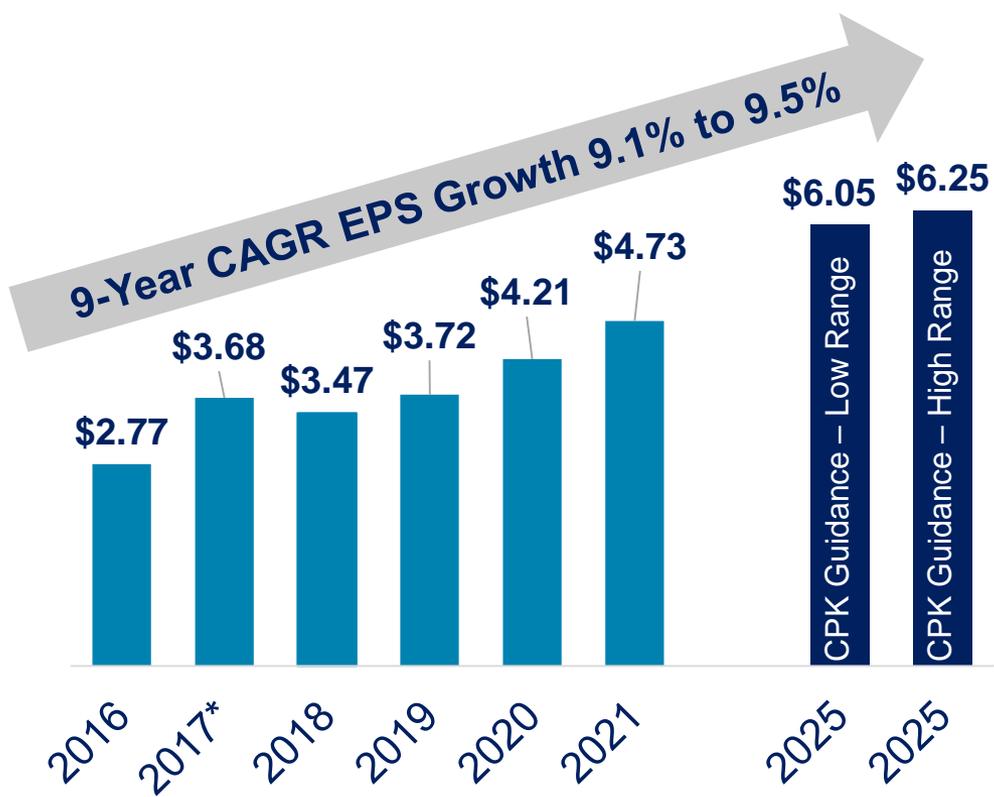
LT debt includes \$9M of
sustainability linked financing

Stockholders' Equity increased \$31.4 million since the end of 2021 primarily driven by:

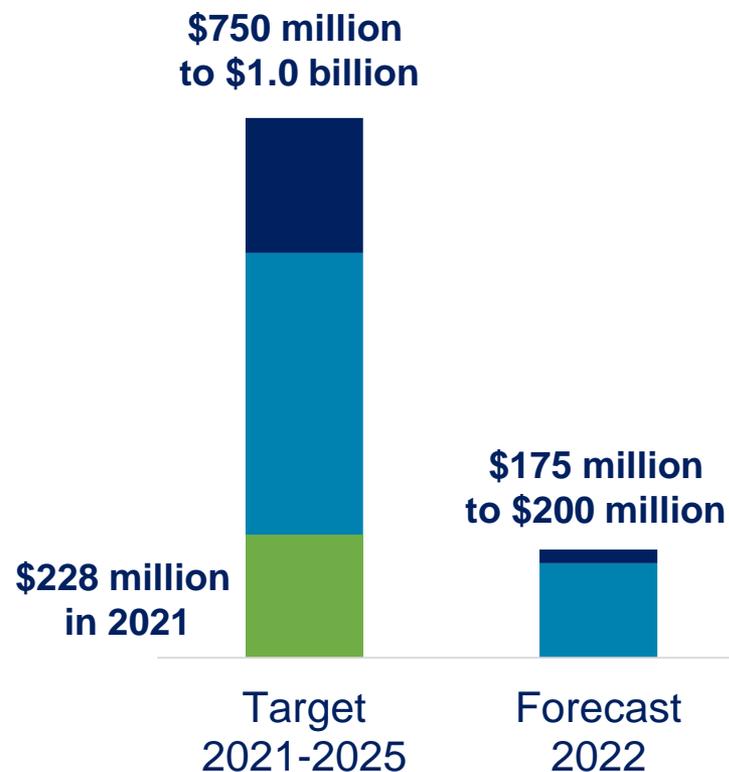
- Strong Net Income performance of \$36.9 million
- Dividend Reinvestment and Stock Compensation Plans increases of \$2.6 million
- Continued Dividend payments of \$8.7 million
- Other Comprehensive Income was \$0.5 million

CPK Guidance Remains Unchanged

Diluted Earnings Per Share from Continuing Operations Guidance through 2025



Capital Expenditures Guidance through 2025 and for 2022



Strategic capital investments continue to drive earnings growth.

CHESAPEAKE UTILITIES **Mission and Vision**



Mission: We deliver energy that makes life better for the people and communities we serve.



Vision: We will be a leader in delivering energy that contributes to a sustainable future.

Looking Forward

Key Focus Areas to Sustain Performance

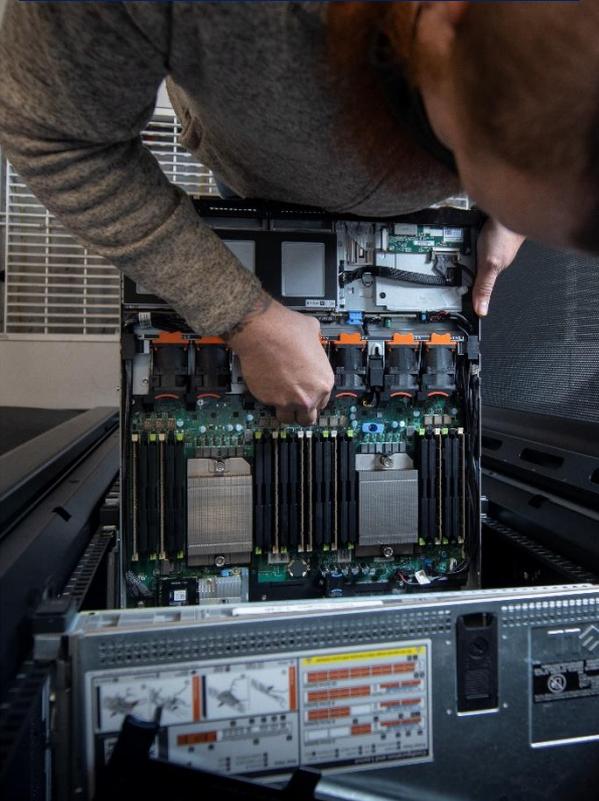
GROWTH



ESG



BUSINESS
TRANSFORMATION



Growth



Platforms for Growth

	Organic Growth:	<ul style="list-style-type: none">• 4-5%+ residential natural gas customer growth on Delmarva and Florida driving investment.• Additional pipeline replacement, system improvement, and peak management opportunities.
	Gas Transmission:	<ul style="list-style-type: none">• Smaller scope projects in selected jurisdictions.• Partnership or joint project ownership structures.• Specialized loads: CHP, marine, LNG, industrial
	Propane Distribution:	<ul style="list-style-type: none">• Short-term gains from CGS system sales to DNG.• Continued expansion in Mid-Atlantic and Southeast.• Auto Gas opportunities.
	Marlin Gas Services:	<ul style="list-style-type: none">• Capital to support base business complete.• Growth focus on term contracts to serve pipeline maintenance, RNG transport and pipeline methane capture.
	Sustainable Investments:	<ul style="list-style-type: none">• Utilizing pipeline and Marlin assets to support agricultural, landfill and other waste management initiatives in CPK service areas.• Hydrogen blending project at Eight Flags CHP demonstrates technology to industrial customers.

Major Projects and Initiatives

Key Projects Driving Adjusted Gross Margin

Project/Initiative <i>in thousands</i>	Adjusted Gross Margin				
	Three Months Ended		Year Ended	Estimate for	
	March 31,		December 31,	Fiscal	
	2022	2021	2021	2022	2023
Pipeline Expansions:					
Western Palm Beach County, Florida Expansion	\$ 1,307	\$ 1,167	\$ 4,729	\$ 5,227	\$ 5,227
Del-Mar Energy Pathway	1,722	884	4,584	6,980	6,867
Guernsey Power Station	263	47	187	1,380	1,486
Southern Expansion	—	—	—	—	1,758
Winter Haven Expansion	33	—	—	401	976
Beachside Pipeline Extension	—	—	—	—	1,825
North Ocean City Connector	—	—	—	—	400
Total Pipeline Expansions	3,325	2,098	9,500	13,988	18,539
Virtual Pipeline Solutions (CNG/RNG/LNG)	2,142	2,077	7,566	8,500	9,500
RNG Infrastructure	91	—	—	1,000	1,000
Acquisitions:					
Diversified Energy	3,975	—	603	11,300	12,000
Escambia Meter Station	250	—	583	1,000	1,000
Total Acquisitions	4,225	—	1,186	12,300	13,000
Regulatory Initiatives:					
Florida GRIP	4,851	4,065	16,995	18,797	19,475
Capital Cost Surcharge Programs	517	136	1,199	2,018	1,936
Elkton Gas STRIDE Plan	74	—	26	241	354
Total Regulatory Initiatives	5,442	4,201	18,220	21,056	21,765
Total	\$ 15,225	\$ 8,376	\$ 36,472	\$ 56,844	\$ 63,804

**Incremental
Adjusted Gross Margin
from Major Projects**

2021: \$15.6 million

2022: \$20.4 million

2023: \$7.0 million

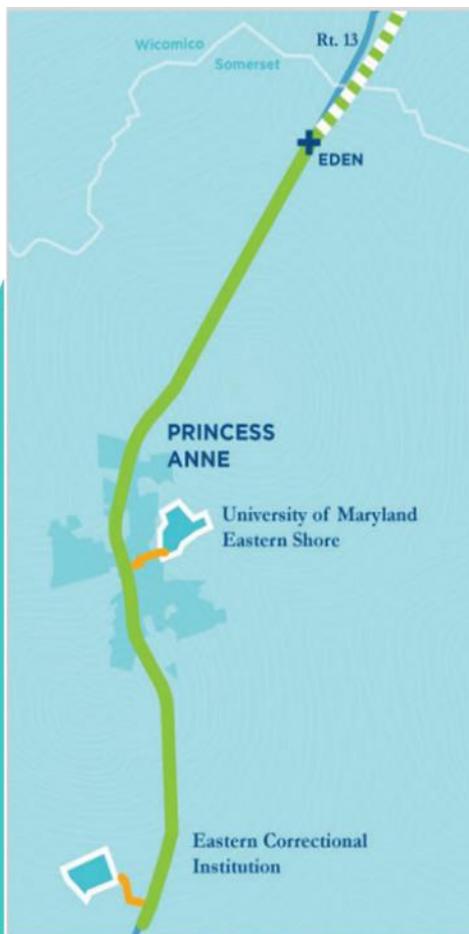
**Total: \$43.0 million
over 2020**

Significant Gas Transmission Projects

Project	Capital Investment	Fully In Service	Annual Adjusted Gross Margin Estimate
Del-Mar Energy Pathway*	\$60.1 million	2021 Fourth Quarter	\$6.9 million
West Palm Beach County*	\$28.9 million	2021 Fourth Quarter	\$5.2 million
Guernsey Power Station	\$6.5 million	2021 Fourth Quarter	\$1.5 million
Winter Haven Expansion	\$3.5 million	2022 Third Quarter	\$1.0 million
Southern Expansion	\$14.0 million	2023 Second Quarter	\$2.3 million
North Ocean City Connector	\$6.3 million	2022 Fourth Quarter	\$0.4 million
Beachside Pipeline Extension	\$16.7 million	2023 First Quarter	\$2.5 million

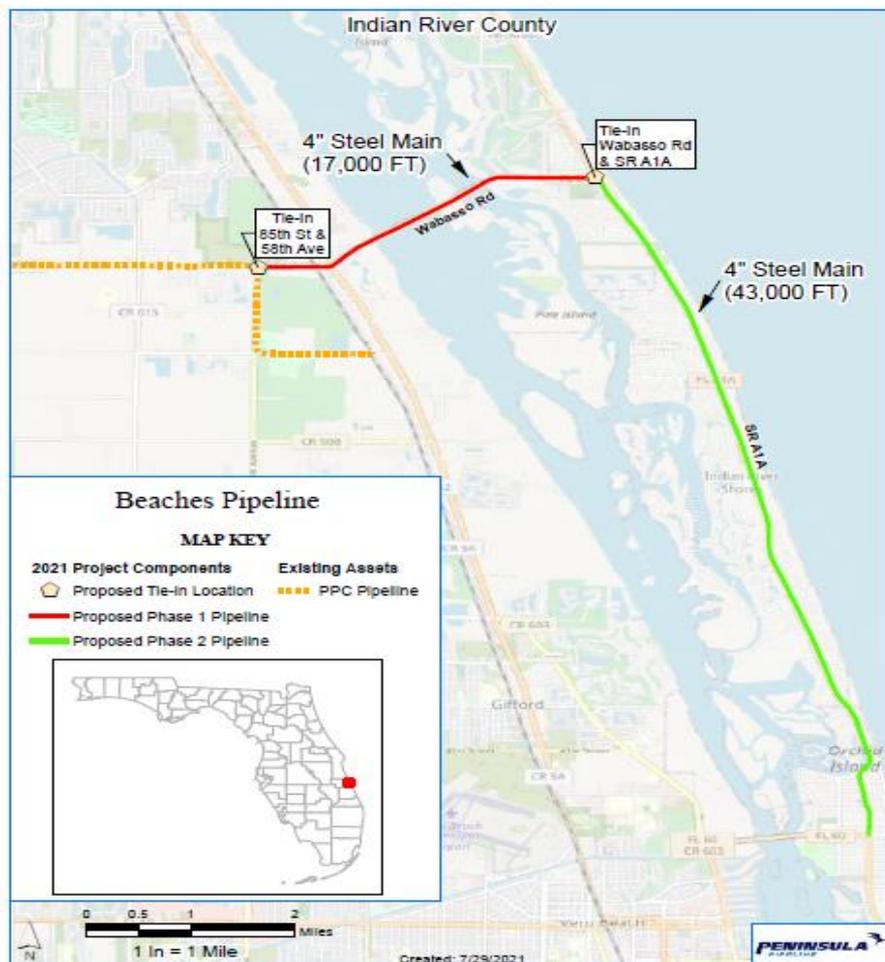
Total investments of \$136.0 million generate incremental adjusted gross margin of \$19.8 million once fully in service in 2024

Del-Mar Energy Pathway



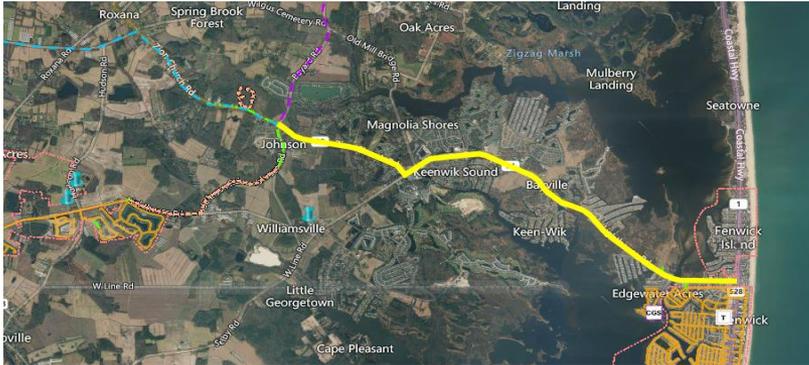
- Extension and looping of the Eastern Shore Natural Gas (ESNG) FERC regulated Delmarva transmission pipeline to serve **Somerset County, MD.**
- **First** natural gas pipeline in the county.
- ESNG serves University of Maryland Eastern Shore and Eastern Correctional Institution displacing higher carbon energy sources like **fuel oil** and **wood chips.**
- CPK is building a gas distribution system in Somerset County to further expand gas service to **residential and commercial customers.**
- **\$6.9M** annual margin.

Beachside Pipeline Expansion



- Peninsula Pipeline to provide incremental firm service in **Indian River County, Florida**, to support Florida City Gas' growth along the Indian River Shore barrier island.
- Pipeline from the Sebastian, Florida, area east **under the Intercoastal Waterway** and southward on the barrier island.
- Estimated capital **\$16.7 million**.
- Projected additional annual gross margin of **\$2.5 million** in 2023 and beyond.

North Ocean City Connector



- Chesapeake Utilities is permitting an approximate **six-mile** pipeline to provide a second system feed from our Delaware distribution system to our Ocean City, MD system (Sandpiper Energy).
- Capital investment of **\$6.3M** with project expected to begin construction in Q2 2022.
- Expecting **\$0.4M** in annual adjusted gross margin for 2023, with increased opportunity for additional margin in 2024 and beyond.

Regulatory Initiatives Supporting Growth

➤ Florida Natural Gas Rate Filing

- Consolidates tariff provisions in Four CPK Florida gas utilities.
- Proposed phase in consolidation of base rates.
- GRIP investment to date into rate base.
- Interim rates expected this summer, case finalized Q1 2023.

➤ Florida GRIP

- Phase 1 pipeline replacement program ending; 348 miles replaced, \$189.5M.
- Estimated Annual Adjusted Gross Margin of \$19.5M in 2023.
- Phase 2 filing planned to include additional investments in safety/compliance.

➤ Elkton Gas STRIDE Plan

- Settlement reached with MD PSC/Peoples Counsel for Aldyl-A pipe replacement.
- 5-year fixed charge rider surcharge; \$400K/year recovery Adjusted Gross Margin.

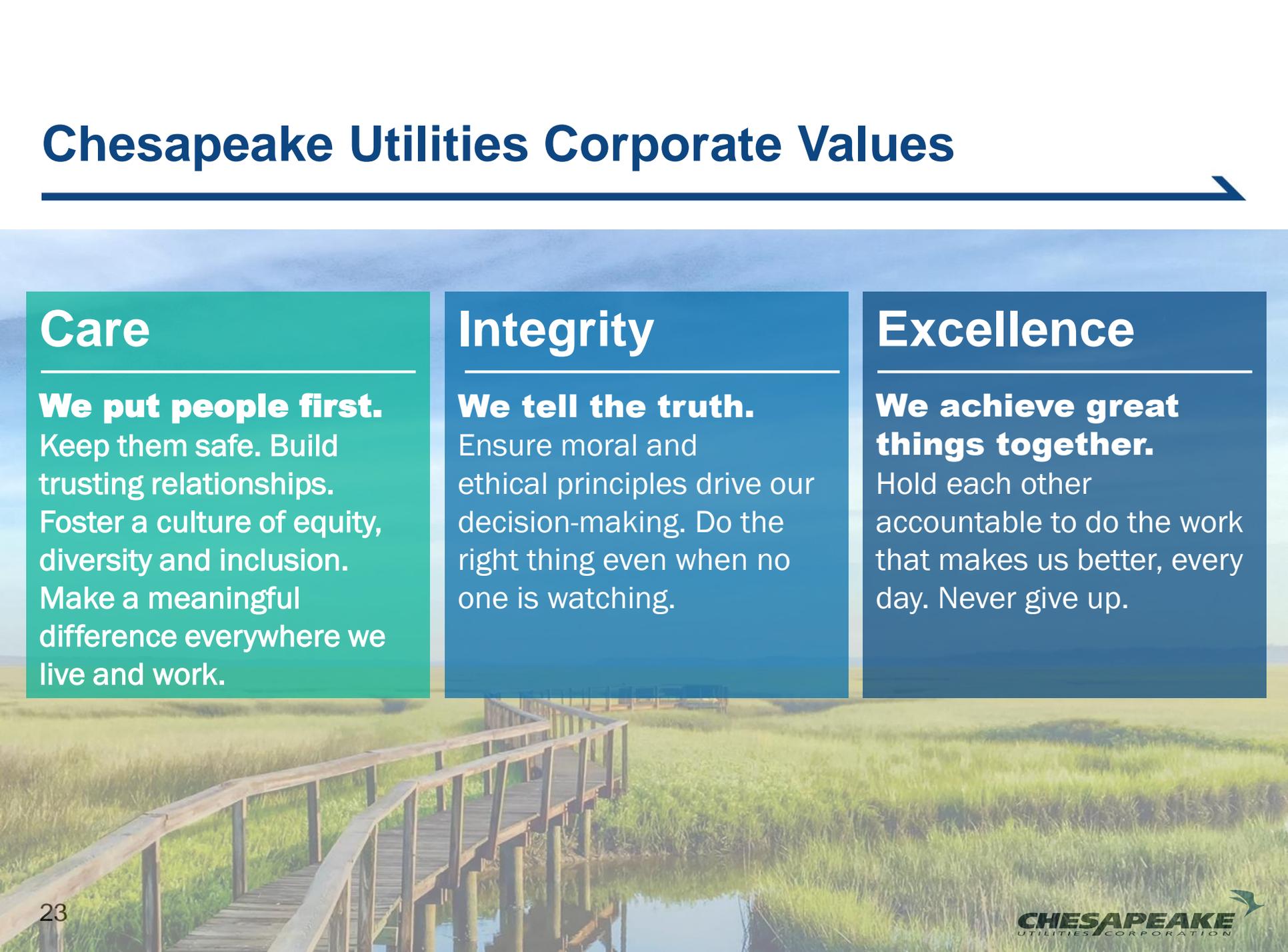
➤ Eastern Shore Natural Gas – Capital Cost Surcharge

- FERC approved recovery mechanism in place for recovery of highway or railroad mandated pipeline facilities relocation.
- Approximately \$2M Adjusted Gross Margin in 2022 and 2023.

ESG



Chesapeake Utilities Corporate Values



Care

We put people first.

Keep them safe. Build trusting relationships. Foster a culture of equity, diversity and inclusion. Make a meaningful difference everywhere we live and work.

Integrity

We tell the truth.

Ensure moral and ethical principles drive our decision-making. Do the right thing even when no one is watching.

Excellence

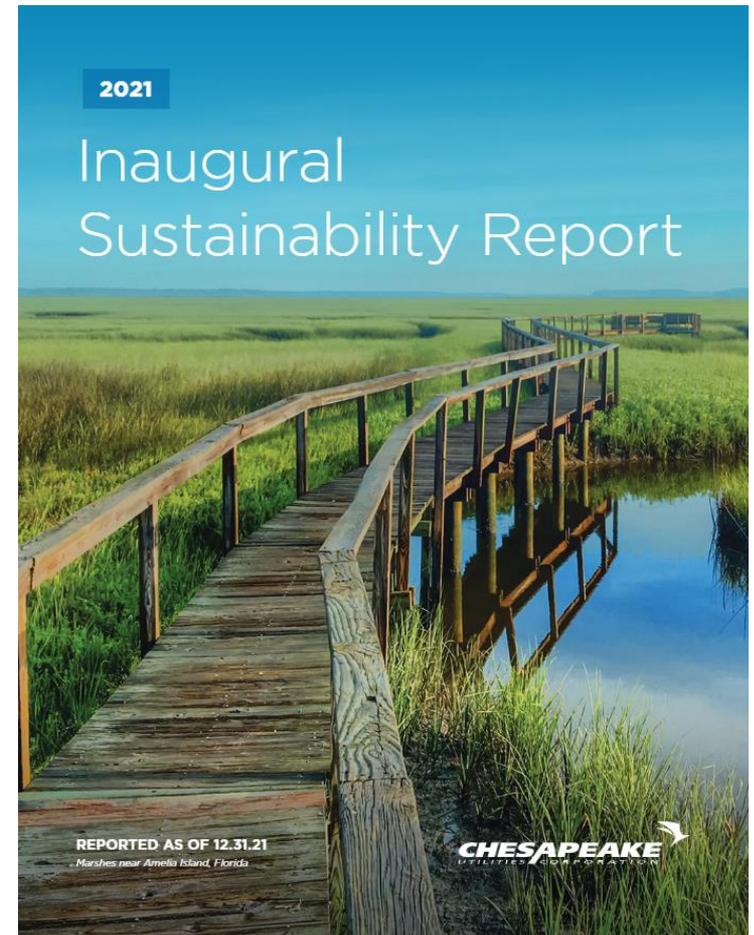
We achieve great things together.

Hold each other accountable to do the work that makes us better, every day. Never give up.

ESG Initiatives

Committed to Strong Corporate Citizenship

- Published inaugural sustainability report
- Established Environmental Sustainability Office and internal ESG Committee to advance our ESG strategy
- Greenhouse gas emissions reduced by 3,760 mtCO₂e from 2019 to 2020, with independent verification of data
- Robust employee and community engagement programs, including those focused on equity, diversity and inclusion
- Evaluating SEC proposal and expanded disclosures within our next sustainability report



Corporate Culture

Internal Employee Resource Groups



CHESAPEAKE UTILITIES
**WISDOM
SEEKERS
& SHARERS**



CHESAPEAKE UTILITIES
**BLACK
EMPLOYEE
NETWORK**



CHESAPEAKE UTILITIES
**EQUITY
DIVERSITY
& INCLUSION**



CHESAPEAKE UTILITIES
SPARC

SUPPORT • PROMOTE • ATTRACT • RETAIN • CONNECT



CHESAPEAKE UTILITIES
DiverseAbilities
Awareness • Empathy • Inclusion • Advocacy



CHESAPEAKE UTILITIES
**VETERANS
RESOURCE
GROUP**



CHESAPEAKE UTILITIES
EPIC
EQUAL PARTS OF
INCLUSIVE CULTURES

Recent Awards and Recognitions



Named Top Work Place
in US for 2022,
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

Business Transformation



Business Transformation

- **People**

- Safety, EDI, learning and skill development, reimagined workplace, Gallup assisted employee engagement, wellness programs

- **Processes**

- Simplify, standardize, automate. Continuous improvement. Change management.

- **Technology**

- 5-year technology roadmap approved by the Board; ~80% regulated unit
- Regulated Customer Information System followed by financial system replacement over next 4 years.
- Safety Data Management, Learning Management, Project Management, accounting robotics, cybersecurity, connected team communications.

- **Organization**

- Management structure based on function not geography
- Aligning corporate services with functional operations
- Business Development refocus; more complex transaction legal and financial support; expanded governmental, regulatory and community service resources; expanded enterprise risk management/mitigation assessment, et.al.

Committed to Superior Performance

With a Foundation for Sustainable Growth

Growth

ESG

Business
Transformation

Track Record

Energized Team

Strong Foundation for
Sustainable Growth

Financial Discipline

Platforms for Growth

Financial Objectives in Support of Increased Shareholder Value:

- ✓ Investing \$750 million to \$1 billion through 2025 with increasing renewable energy investments
- ✓ Targeting 2025 EPS \$6.05 to \$6.25
- ✓ Targeting 11.0% or higher consolidated ROE
- ✓ Pursuing dividend growth supported by earnings growth, with a ramp towards a dividend payout ratio of ~45%
- ✓ Maintaining a strong balance sheet

Questions?



Thank You for Joining

