A STRONG foundation FOR GROWTH

First Quarter 2019 Earnings Conference Call

May 10, 2019

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 2018 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.

Adjusted EPS (non-GAAP measure): Diluted Earnings per share excluding the impact of certain significant new non-cash items, including, but not limited to, the following: the impact of unrealized mark-to-market changes and one-time charges, such as severance charges. The Company calculates "adjusted earnings" by adjusting reported (GAAP) earnings to exclude the impact of certain significant non-cash items, including the impact of unrealized MTM gains (losses), one-time charges such as severance charges, and any prior year tax savings retained by our regulated businesses as a result of current year regulatory authorizations.

Chesapeake Utilities – First Quarter 2019 Highlights

Superior Shareholder Return Driven by Consistent Above Average Earnings and Dividend Growth

- Greater than 16% total shareholder return for 1, 3, 5, 10 & 20 years ended April 30, 2019
- 20% growth in adjusted earnings per share for first quarter 2019 compared to first quarter 2018
- Dividend increased by 9.5%; 5 Year CAGR = 8.4%
- Dividend growth supported by earnings growth (5 Year EPS CAGR of 8.8% -- through 12/31/18)

Continued Growth Across the Company's Businesses

- $10.1 Million in Incremental Gross Margin – Key Drivers include:
  - $4.3 million from new pipeline projects
  - $2.8 million from Marlin & Ohl acquisitions
  - $2.5 million from Unregulated Business Segment - Aspire Energy, Customer growth and higher retail propane margins more than offset lower weather related consumption and wholesale results
  - $1.5 million from natural gas distribution customer growth

Successful Regulatory Initiatives

- Florida PSC approved retention of a portion of TCJA tax savings:
  - $1.3 million gain on reversal of 2018 tax reserves
  - $1.9 million incremental benefit (net of GRIP) annually beginning in 2019 ($794,000 in first quarter of 2019)
- Florida PSC approved storm recovery fund surcharge associated with Hurricane Irma
  - $1.9 million recovered from April 2019 to March 2021

Reconciliation of GAAP to Adjusted Earnings
First Quarter 2019

For the Three Months Ended March 31,	2019		2018		Growth	
(in thousands except per share data)	Net Income	EPS	Net Income	EPS	Net Income	EPS
Adjusted (Non-GAAP) Earnings	**$ 27,754**	**$ 1.68**	**$ 22,847**	**$ 1.40**	**21.5%**	**20.0%**
Change in unrealized mark-to market ("MTM") activity	(80)	-	4,008	0.24		
2018 portion of the retained tax savings for certain Florida natural gas distibution operations associated with the TCJA income tax rate	990	0.06	-	-		
Reported (GAAP) Earnings	**$ 28,664**	**$ 1.74**	**$ 26,855**	**$ 1.64**	**6.7%**	**6.1%**

2019 is off to a great start (whether measured from a GAAP or non-GAAP basis)

Reconciliation of First Quarter Results

Key Variances 2019 versus 2018

(in thousands except per share data)	Pre-Tax Income	Net Income	Earnings Per Share
First Quarter of 2018 Reported Results	**$ 36,810**	**$ 26,855**	**$ 1.64**
Adjusting for Unusual Items			
Net impact of PESCO's MTM activity	(5,591)	(4,088)	(0.24)
Impact of weather on customer consumption	(2,523)	(1,891)	(0.12)
2018 retained tax savings for certain Florida natural gas operations	1,321	990	0.06
	(6,793)	**(4,989)**	**(0.30)**
Increased (Decreased) Gross Margin:			
Absence of the 2018 Bomb Cyclone and capacity constraint costs for PESCO	5,545	4,157	0.25
Eastern Shore and Peninsula Pipeline service expansions	4,266	3,198	0.19
Margin contributions from Marlin and Ohl acquisitions (assets acquired in December 2018)	2,805	2,103	0.13
Natural gas distribution - customer growth (excluding expansions)	1,451	1,088	0.06
Higher propane retail margins per gallon	1,259	944	0.06
Unregulated Energy customers' consumption growth	879	659	0.04
Aspire Energy rate increases	779	584	0.04
Other margin for PESCO operations	731	548	0.03
Natural gas distribution - change in customer consumption (non-weather)	(485)	(364)	(0.02)
Lower wholesale propane margins and sales	(453)	(340)	(0.02)
Conversion of Sandpiper customers to natural gas	382	287	0.02
Florida GRIP	223	167	0.01
	17,382	**13,031**	**0.79**
Increased Other Operating Expenses	(6,484)	(4,860)	(0.29)
Interest charges	(2,046)	(1,534)	(0.09)
Changes in effective tax rate	-	768	0.05
Net other changes	(631)	(607)	(0.06)
First Quarter of 2019 Reported Results	**$ 38,238**	**$ 28,664**	**$ 1.74**

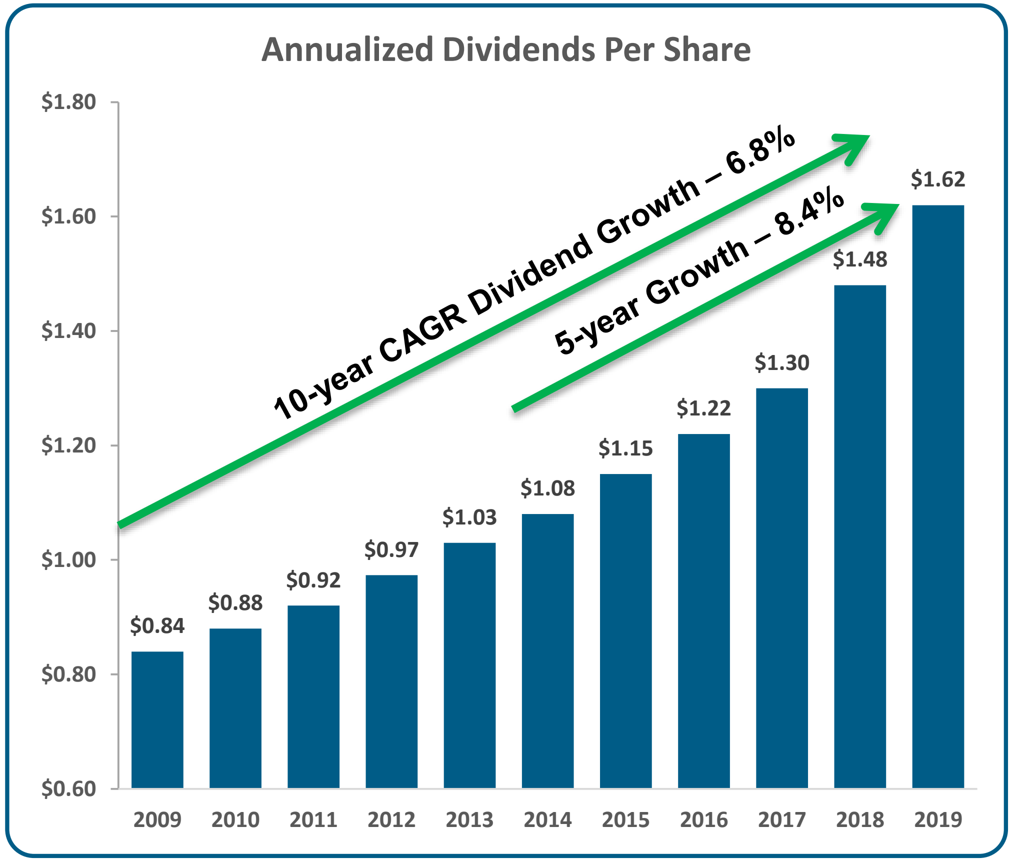
Increase in Margin:
- Eastern Shore and Peninsula Pipeline expansion projects
- Acquisitions of Marlin and Ohl assets
- Organic growth in natural gas distribution and Aspire
- Regulatory initiatives in Florida

Change in Operating Expenses:
- Depreciation, amortization and taxes increased as a result of capital investment for growth
- Higher other operating expenses reflect increased costs to support growth
- Higher incentive compensation – alignment of expense with earnings contribution – timing related

Taxes and Interest:
- Effective tax rate 25%
- $768,000 in lower income taxes
- Higher interest reflects borrowing to fund growth as well as intermediate debt funding for Hurricane Michael restoration

Dividend Growth Continues

Ten Years of Above Average Growth



Dividend Increased 9.5% on May 8, 2019

Quarterly Dividend Rate - $0.405 per share
Annualized Dividend Rate - $1.62 per share
Annualized Increase - $0.14 per share

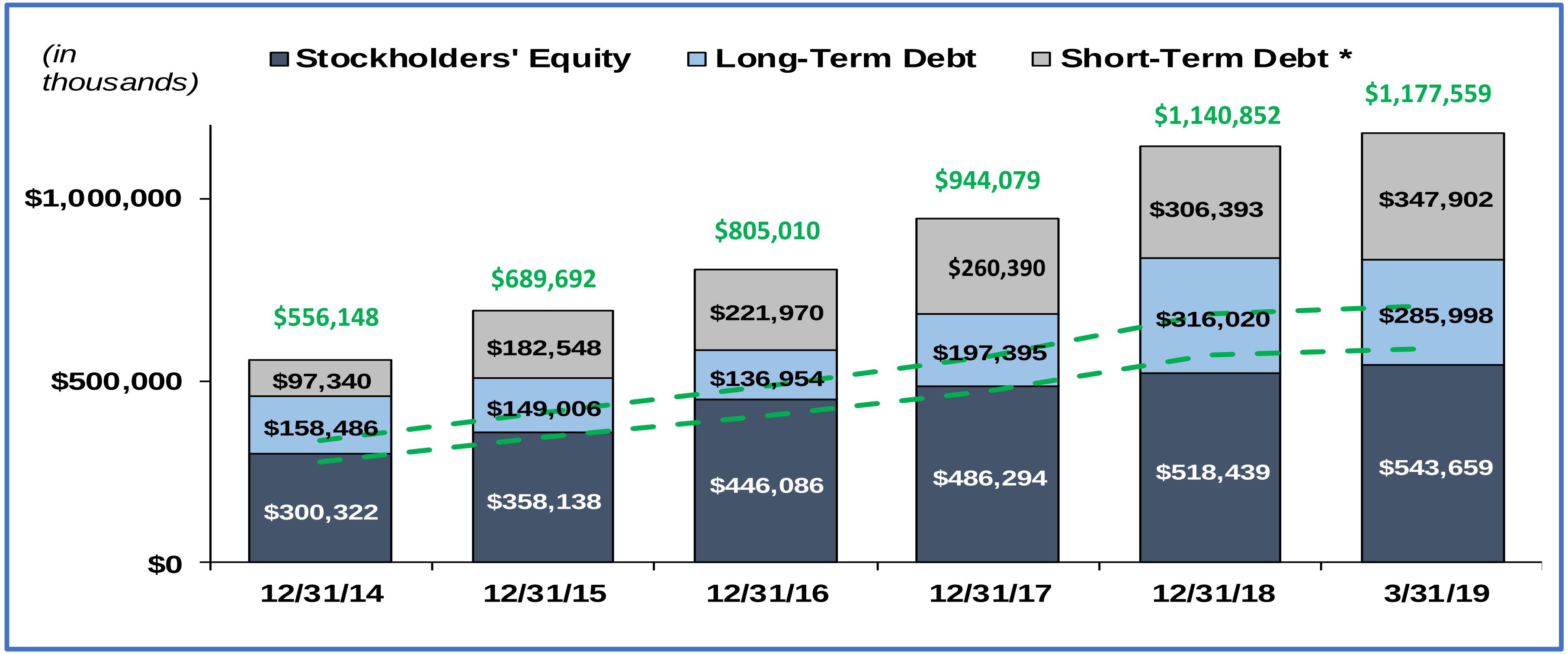
- This year's increase reflects our team's success in delivering superior earnings growth, including our strong performance in 2018, continued growth in the first quarter of 2019, and our positive outlook going forward.
- Chesapeake's five-year annualized dividend growth rate is 8.4 percent – in line with our five-year CAGR in adjusted EPS through 2018 of 8.8 percent.
- Our goal remains to provide above average growth in dividends supported by earnings growth that is driven by our engaged team and continued disciplined approach to investment opportunities.

CPK's one-year and five-year dividend growth of 9.5% and 8.4%, respectively,
leads our peer group dividend growth percentile metric based on the most recent annualized dividend increases

Capital Capacity to Support Future Growth

Total Capitalization has More Than Doubled in Five Years

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



	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	3/31/19
Equity/Permanent Capitalization	65.5%	70.6%	76.5%	71.1%	62.1%	65.5%
Equity/Total Capitalization	54.0%	51.9%	55.4%	51.5%	45.4%	46.2%

December 2018 and January 2019
$30 MM PNC and $30 MM BB&T

LIBOR plus 75 bps
13 Month
Term Notes

August 2019
$100 MM Prudential
3.98% - 20 Years

Excluding $60 MM 2020 Term Notes

Equity to Total Capitalization equals 49%

* *Short-term debt includes current portion of long-tem debt*

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Continuing to Build for the Future

2019 Budgeted Capital Expenditures

*Excluding Hurricane Michael restoration cost which will be allocated between capital expenditures and storm reserve.

(dollars in thousands)		2019
Regulated Energy:		
Natural gas distribution		$ 64,143
Natural gas transmission		66,787
Electric distribution *		5,949
Total Regulated Energy	81% Regulated Energy	136,879
Unregulated Energy:		
Propane distribution		11,870
Other unregulated energy		9,761
Total Unregulated Energy	13% Unregulated Energy	21,631
Other:		
Corporate and other businesses		9,705
Total Other	6% Corporate and other Businesses	9,705
Total 2019 Forecasted Capital Expenditures		$ 168,215

Our Team continues to pursue new growth projects that could further increase our 2019 capital projection.

We will selectively, and with our customary discipline, seek to develop projects and acquire businesses that compliment our existing portfolio, provide rapid earnings accretion and generate target returns.

First Quarter 2019 Capital Expenditures = $33.8 MM

20% of Fiscal 2019 Budget

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Major Projects and Initiatives

Increasing Shareholder Value by Continuously Seeking and Developing Projects and Initiatives

	Gross Margin for the Period				
Project/Initiative	Three Months Ended March 31,		Year Ended December 31,	Estimated for Fiscal	
in thousands	2019	2018	2018	2019	2020
Florida GRIP	**$ 3,565**	$ 3,342	$ 13,323	$ 14,204	$ 15,565
2017 Eastern Shore System Expansion Project - including interim services	**4,800**	2,263	9,238	16,183	15,799
Tax benefit retained by certain Florida entities	**2,115**	-	-	3,199	1,879
Northwest Florida Expansion	**1,307**	-	3,485	6,500	6,500
Western Palm Beach Expansion	**161**	-	54	605	4,711
Marlin	**2,329**	-	110	5,100	6,000
Ohl propane acquisition (rolled into Sharp Energy)	**476**	-	-	1,200	1,236
Del-Mar Energy Pathway Project - including interim services	**165**	-	-	725	3,039
Total	**$ 14,918**	**$ 5,605**	**$ 26,210**	**$ 47,716**	**$ 54,729**
Change	**$ 9,313**			**$ 21,506**	**$ 7,013**

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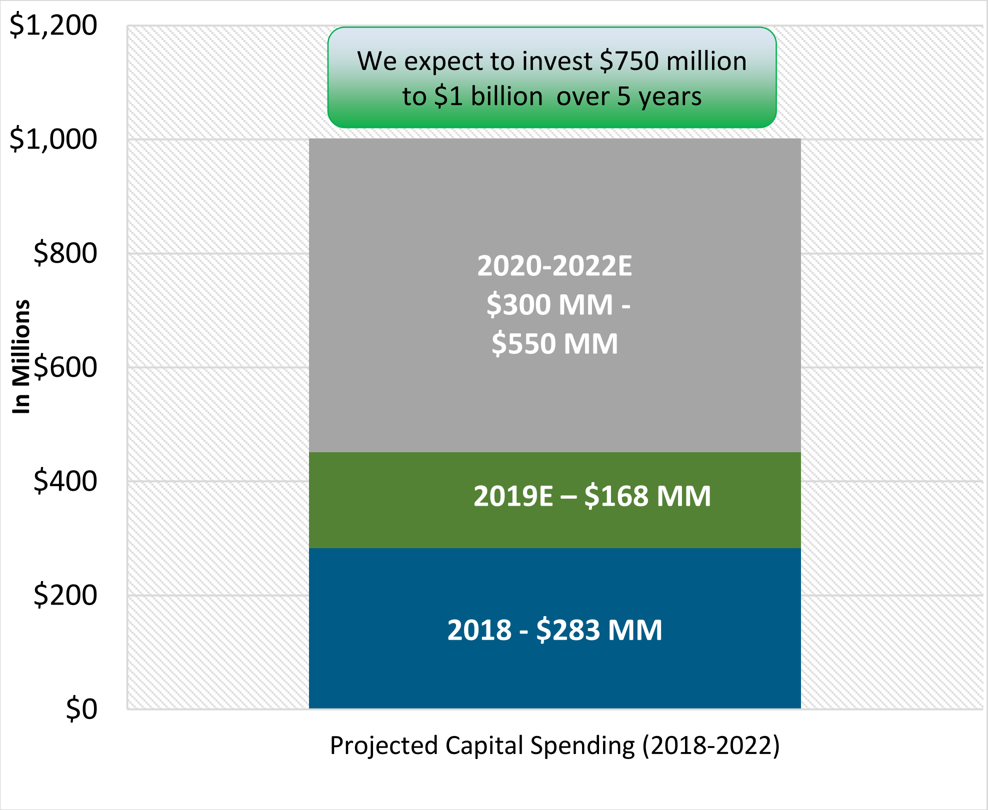
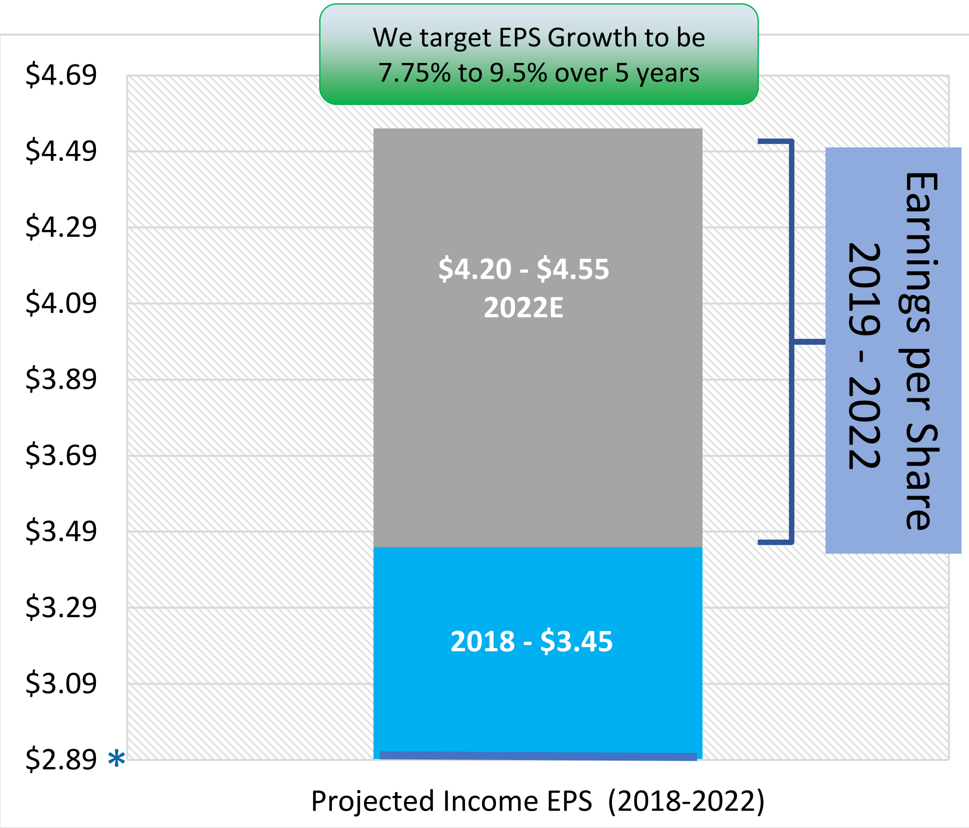
Chesapeake Utilities Corporation

Expect Growth Well Above Industry Average

Capital Expenditures



Earnings per Share



** 2017 Adjusted Non-GAAP EPS of $2.89 (Excludes TCJA)*

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Natural Gas Expansion Projects

Eastern Shore and Florida Transmission

Expansion Projects	Completion Date	Investment Amount (000's)	2019 Annual Margin (000's)
2017 Eastern Shore System Expansion (1)	Q2 - 2019	$117,000	$16,183
Northwest Florida Expansion	Q2 - 2018	$44,300	$ 6,500
Western Palm Beach County (2)	Q1 - 2020	$30,000	$ 605
Total		$191,300	$23,288

(1) Eastern Shore expansion substantially completed in 2018

(2) Western Palm Beach County expansion partially in-service in December 2018

- ***Projects /Phases include Belvedere, Westlake/Arden, Avenir and Research Park***
- ***Fully in-service 2020 with annual margin of $4.7 million***

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Del-Mar Energy Pathway Project Under Development

Strategic Growth Initiative

Maximize Organic Growth in Existing Geographic Footprint

- The proposed facilities associated with the Project will provide the transportation capacity needed to serve DE Division, MD Division and Sandpiper Energy's projected organic customer growth

Expand into New Geographic Areas

- East Sussex County – projected to be DNG's highest growth territory over the next few years
- Somerset County – piped natural gas available to the county for the first time in history

Develop Additional Growth Across Business Units

- Chesapeake's distribution divisions are participating in the Project; with piped natural gas available in Somerset County for the first time; Chesapeake has the opportunity to capture growth in that area and obtain franchise agreements

Public Perception

- ESNG and Chesapeake have been discussing natural gas availability with Somerset County for a few years - with the pipeline extension into Somerset County, this is now a real and executable project.

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Marlin Gas Services

Exceeding Initial Margin Projection in the First Quarter

Transaction Highlights

- Expect purchase to be accretive in 2019
- First quarter margin and operating income = $2.3 and $1.4 million, respectively
- Increased 2019 margin estimate from $4.5 to $5.1 million after strong first quarter results
- Expect margin to grow beyond $6 million in 2020
- Significant future growth potential from:
    - Increased utilization of existing equipment
    - Investment in fleet expansion

Marlin Gas Services Capabilities

- Operates a large fleet of 36 tube trailers dedicated to transportation of compressed natural gas ("CNG")
- Nationwide service with primary focus on Gulf Coast
- Over 7 billion cubic feet of natural gas transported
- Provides temporary and emergency natural gas services
- Planning new additional trailers for later in 2019

Marlin provides a patented compressed natural gas delivery solution for gas pipeline and gas distribution systems while safety and integrity work is being performed. Spending on system integrity, reliability and safety continues to be a focus of the industry.

Marlin is ideally positioned to be part of the renewable gas solution serving as the bridge that connects the production and market areas through a virtual pipeline.

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Accretive Opportunistic Acquisitions

Continue to Add Gross Margin Annually

Acquisition	Incremental Margin 1Q-19	Date Acquired	Accretive	Description
Marlin	$2.3 MM	12/2018	1st Year	Mobile CNG utility & pipeline solutions
Ohl Propane	$0.5 MM	12/2018	1st Year	Retail propane distribution
Aspire	$1.2 MM	4/2015	1st Year	Unregulated gas transmission
Sandpiper	$0.4 MM	5/2013	1st Year	Propane system converting to natural gas
Total	$4.4 MM			

Chesapeake Utilities' acquisition of Florida Public Utilities in 2009 was the precipitous to multiple expansion opportunities throughout Florida which continue today.

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Significant Regulatory Initiatives

First Quarter 2019 Developments

Florida - FPU	
TCJA – Natural Gas (non-GRIP) (CFG and FPU)	Company retains benefit: $1.3MM reserve reversal in Q1; annual benefit = $1.9MM
TCJA – Natural Gas (GRIP)	Customer rates were adjusted through annual rate mechanisms with the ADIT regulatory liability to also be an annual rate adjustment
TCJA – Electric	Return tax savings to customers through lower fuel costs and storm reserve recovery
Electric Storm Reserve	In March 2019 Florida PSC approved recovery of $428,000 incurred costs and $1.5MM for storm reserve replenishment to be collected in rates from April 2019 – March 2021
Hurricane Michael Response	We plan to file for cost recovery some time during the second quarter
Delaware- DNG	
TCJA	Customer rates adjusted March 2019; customer credits to be issued in 2nd quarter 2019
Weather Normalization	Filed in January 2019; under review with a decision expected by December 2019
FERC - ESNG	
Del Mar Energy Pathway Project	Environmental assessment issued; final approval by FERC expected by the third quarter 2019

Note: Maryland PSC and FERC finalized TCJA treatment in 2018

Chesapeake's Business Units approach their Regulatory Proceedings with Innovative Solutions and Initiatives

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Chesapeake Utilities Commitment to Sustainability and ESG

We are committed to providing solutions for more efficient energy use and conducting business with environmental responsibility to yield carbon footprint benefits for our customers and communities.

We are helping reduce transportation emissions through increased accessibility to environmentally-friendly alternative fuels including operating the only public compressed natural gas fueling station on the Delmarva Peninsula and a network of 48 propane AutoGas stations.

Our newest energy business campus, Energy Lane, in Delaware holds an independent certification for its use of sustainable materials and leading edge environmental elements that help reduce energy consumption. Our Eight Flags combined heat and power plant operates at more than twice the efficiency of typical power plants and we displaced a significant amount of coal powered generation by installing a gas turbine.

We have replaced hundreds of miles of pipeline and service lines and improved regulator and gate stations facilities, significantly reducing methane leaks. Our new Marlin operation supports maintenance and pipeline replacement efforts for utilities throughout the Southeastern United States that helps reduce emissions and transports renewable natural gas through a virtual pipeline service.

Corporate Culture

Combination of
Strategic Focus, Engaged Employees and Innovation

2018 Best North American Utility for Corporate Governance

- **<u>Corporate Governance</u>**
  - *<u>2018 Best North American Utility for Corporate Governance</u>*

<u>Employee-Centric</u>
- Seven years in row being recognized as a *<u>Top Workplace</u>*

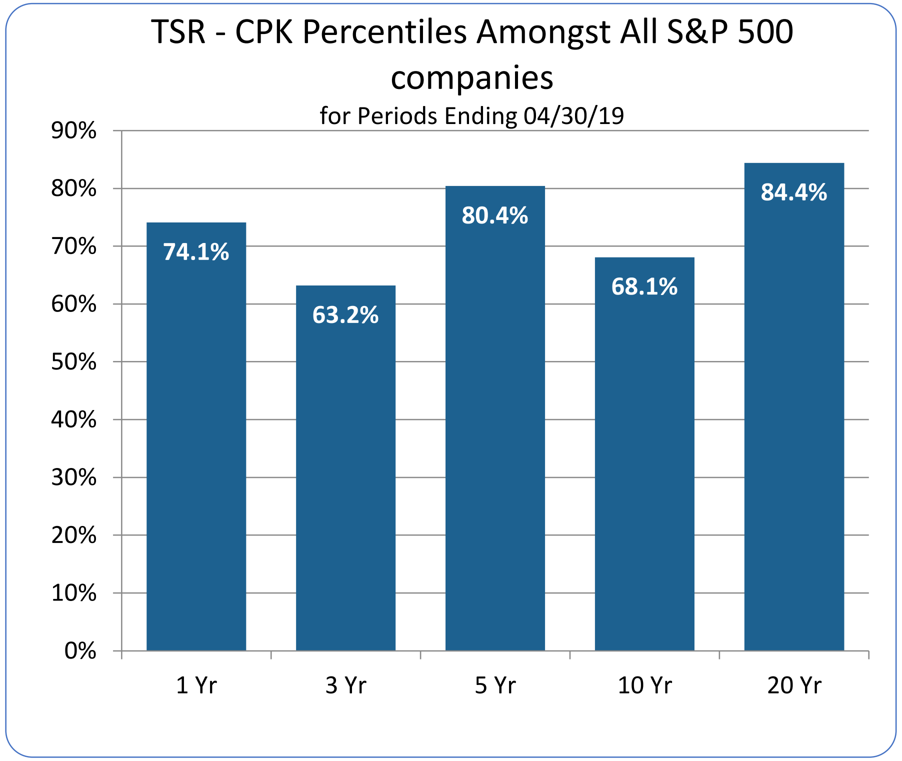
TOP WORK PLACES

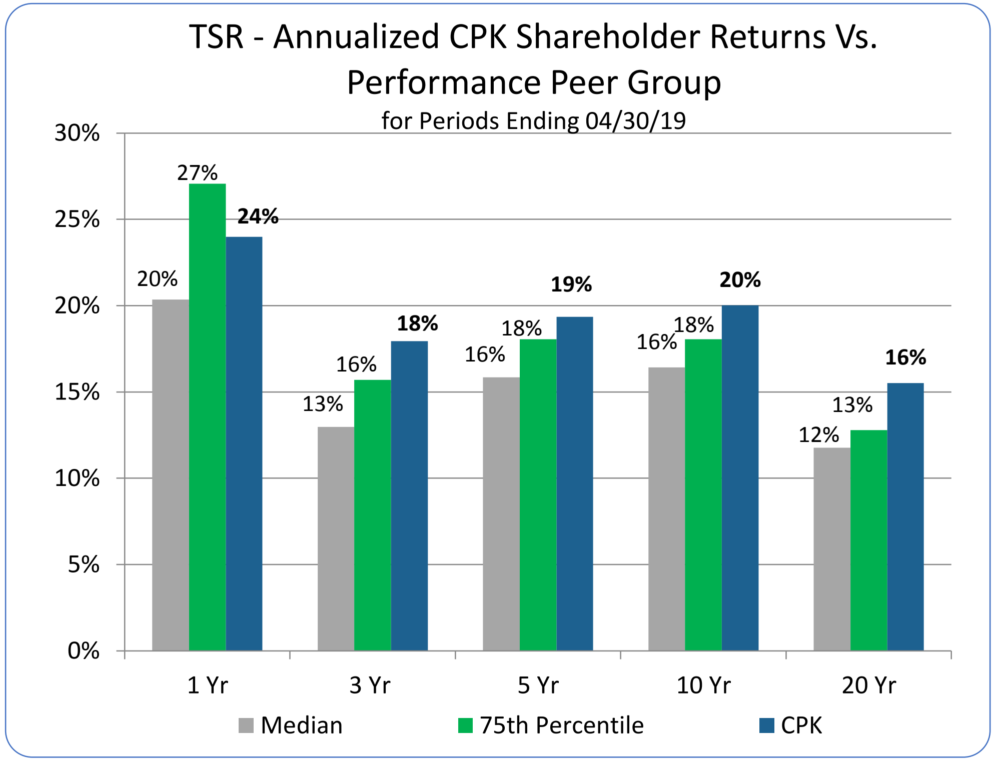
- **<u>Connecting with our Customers and Communities</u>**
  - Chesapeake Utilities recognizes that customers expect safe, efficient and reliable service , as well as providing enhanced business connection options, more convenience and modern solutions.
  - In 2018 Chesapeake employees volunteered over 3,900 hours making personal connections and having a significant impact where we live, work and serve

CHESAPEAKE Cares WITH A CAUSE
Cares With A Cause

Total Shareholder Return (TSR)

Comparison to Broader Market – S&P 500Companies and Peer Group Comparison





Chesapeake is driven to increase shareholder value….

Our compound annual return has exceeded 16% for all periods shown through April 30, 2019.
Chesapeake exceeded the peer group 75th percentile over the long term.

Source: Bloomberg

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A Strong Foundation for Growth: Track Record. Energized Team. Financial Discipline.

A Strong Foundation for Growth

Chesapeake Utilities' solid track record, driven by our strong aspiration for growth and commitment to care for our employees, customers, investors and communities we serve.

The key to our success is our employees' creative talent, relentless pursuit of better solutions and unwavering commitment to serve our customers with clean, affordable and reliable energy.

We will selectively, and with our customary discipline, seek to develop growth projects that compliment our existing portfolio, provide rapid earnings accretion, and generate target returns.

Chesapeake Utilities is well positioned to continue to build on its strong foundation and deliver exceptional service to our customers and industry leading results for our shareholders.

Financial Objectives in Support of Shareholder Value

Investing $750 MM to $1 Billion in capital through 2022

Generate EPS CAGR of 7.75% to 9.50% through 2022

Target 11.0% Return on equity or higher

Sustain dividend growth supported by earnings growth

Any Questions?

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Thank You!

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