

**CHESAPEAKE
UTILITIES
CORPORATION**

**Second Quarter 2023
Earnings Conference Call
August 4, 2023**

Today's Presenters



Jeff Householder

Chairman of the Board, President, and 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

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, 2022 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.

Financial Highlights



- Diluted EPS of **\$0.90** and **\$2.94**, respectively, for the quarter and year-to-date periods ended June 30, 2023
 - Significantly warmer weather impacted EPS by approximately \$0.09 and \$0.38, respectively
 - Exclude a one-time gain of \$0.08 per share related to real estate rationalization from the second quarter of 2022
- **\$7.4 million** in adjusted gross margin growth driven by regulatory initiatives as well as continued growth and new expansion projects
- Deployed approximately **\$50 million** on new capital investments,
 - On track for current year guidance of **\$200 to \$230 million**
- Announced customer information system platform upgrade to enhance service to more than 220,000 natural gas customers in DE, MD and FL
- Significant advancements in various growth and regulatory initiatives
 - Wildlight, Lake Wales, and Newberry expansions
 - Florida GUARD program approved in August 2023

Weather During the Six Months Ended June 30, 2023

Exceptionally Warm Weather Across All Service Areas

- The effects of warmer temperatures continued into the second quarter and have significantly impacted our earnings through the first half of 2023
- Delmarva and Ohio service territories had a more significant impact given the heat load in our northern service areas
- CPK significantly mitigated the impacts of weather through organic growth initiatives, the Florida rate case outcome and cost management
- We will continue to take steps to offset the impacts of weather throughout the year

Delmarva		Six Months Ended June 30,		Variance Year-over-Year	
		2023	2022	#	%
Actual HDD		2,050	2,575	(525)	-20%
10-yr Avg HDD ("Normal")		2,693	2,667	26	
Variance from Normal	#	(643)	(92)		
	%	-24%			

Ohio		Six Months Ended June 30,		Variance Year-over-Year	
		2023	2022	#	%
Actual HDD		3,062	3,530	(468)	-13%
10-yr Avg HDD ("Normal")		3,596	3,542	54	
Variance from Normal	#	(534)	(12)		
	%	-15%			

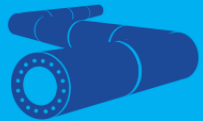
Florida		Six Months Ended June 30,		Variance Year-over-Year	
		2023	2022	#	%
Actual HDD		370	534	(164)	-31%
10-yr Avg HDD ("Normal")		549	542	7	
Variance from Normal	#	(179)	(8)		
	%	-33%			

Key Drivers of Growth



Organic Growth:

- 5.5% / 4.0% residential customer growth in Delmarva / Florida for Q2'23
- Added more than 8,500 residential customers since June 2022
- Natural gas continues to be the preferred energy source for our customers



Gas Transmission:

- Completion of Beachside expansion project in Vero Beach, Florida
- Clean Energy expansion for CNG fueling station in Davenport, Florida
- Pipeline expansions continue to advance at the Wildlight Community in Yulee, Florida and other locations throughout our service territories
- ESNG's Southern Expansion expected to go into service in Q4'23
- New projects being evaluated and pursued in Delmarva, Florida and Ohio



Propane Distribution:

- Mitigated historically high temperatures across northern territories
- Continuing to advance our community gas system strategy
- Integrating Sharp's programs and practices within recent acquisitions



Marlin Gas Services:

- Increased demand for CNG services in Q2'23
- Providing interim service for Clean Energy's CNG fueling station in Florida



Sustainable Investments:

- Construction underway on first RNG facility at Full Circle Dairy
- Member of the Mid-Atlantic Clean Hydrogen Hub (MACH2) team representing the Delaware, Philadelphia and Southern New Jersey region

Growing Service Areas – Delmarva and Florida

Well positioned to service concentrated growth areas:

Middletown, Delaware

- Increased customer base by 71% over last 10 years
- Ranked in top five towns in the nation by Fortune.com
- Nine schools built in past 10 years to support 30% of population aged 19 or younger
- Future home of major Pharmaceutical facility



Wildlight (Yulee), Florida

- Multi-phase project with ~22 thousand residential units at full buildout
- Additional load expected due to new supporting infrastructure
- High-end growth targets provide potential for ~\$100 million in total capital and ~\$20 million in annual margin

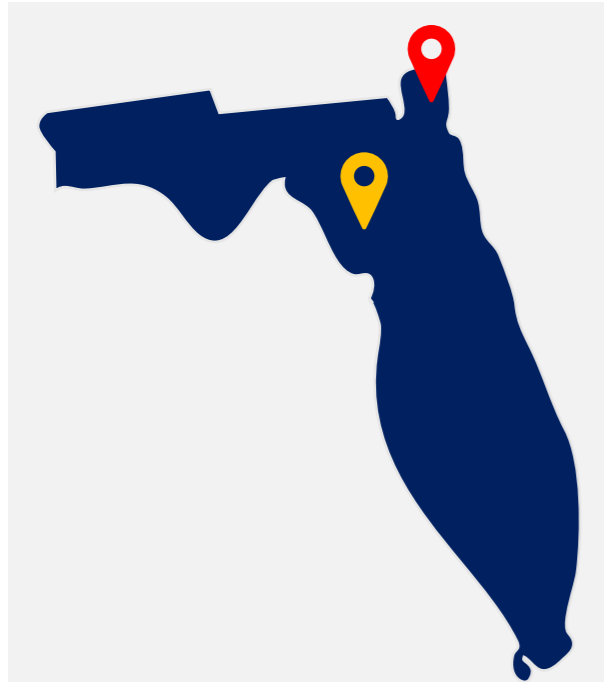


Gas Transmission Expansions to Serve Growing Demand



Eastern Shore - Southern Expansion: increasing capacity in Delaware to meet growth

- Natural gas driven compressor skid at Bridgeville compressor station
- Expected to go into service in the fourth quarter of 2023 and provide 7,300 Dts of incremental firm transportation capacity
- Will generate adjusted gross margin of \$2.3 million in 2024 and thereafter



Peninsula Pipeline - Wildlight Expansion: multi-phase project in Yulee, Florida

- Multiple pipeline extensions, a gas injection interconnect, and associated facilities
- Various phases commenced in Q1'23 and continue through 2025
- Expected adjusted gross margin of \$2 million in 2024 and beyond

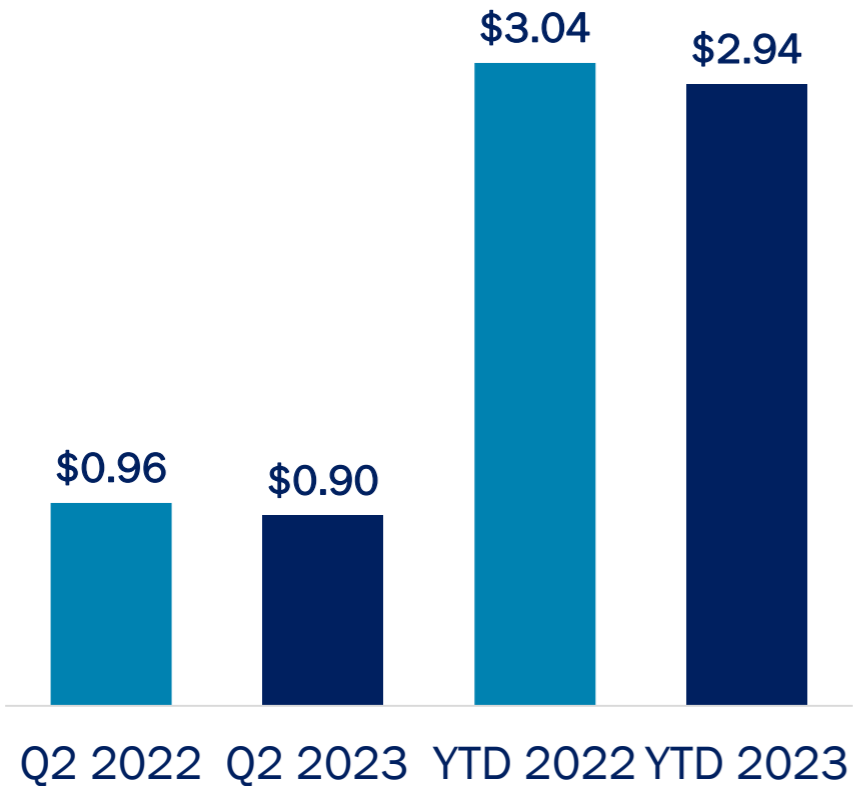


Peninsula Pipeline - Newberry Expansion: pipeline extension project approved by Florida PSC in July 2023

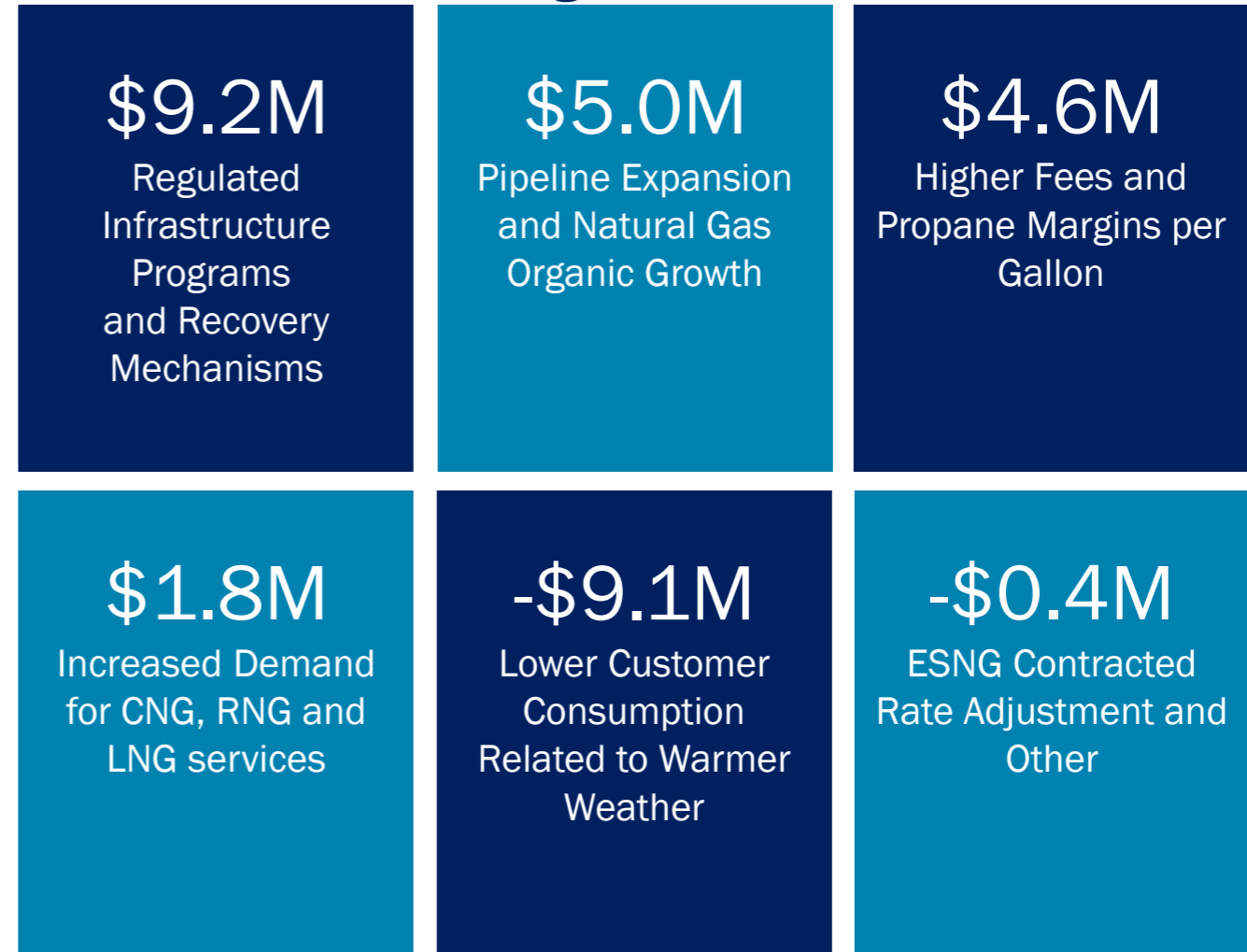
- Support the development of a natural gas distribution system that will bring gas service to the City of Newberry
- Related transportation service agreement provides for 8,000 Dt/d of firm service

Year-to-Date 2023 Financial Performance

Diluted Earnings Per Share



Key Year-to-Date Earnings Adjusted Gross Margin Drivers



Second Quarter and Year-to-Date 2023 Financial Summary

Solid performance, despite significantly warmer weather and continued inflationary environment

Consolidated

(in thousands except per share data)

Total Adjusted Gross Margin¹

Operating Income

Other Income, Net

Interest Charges

Pre-tax Income

Income Taxes

Net Income

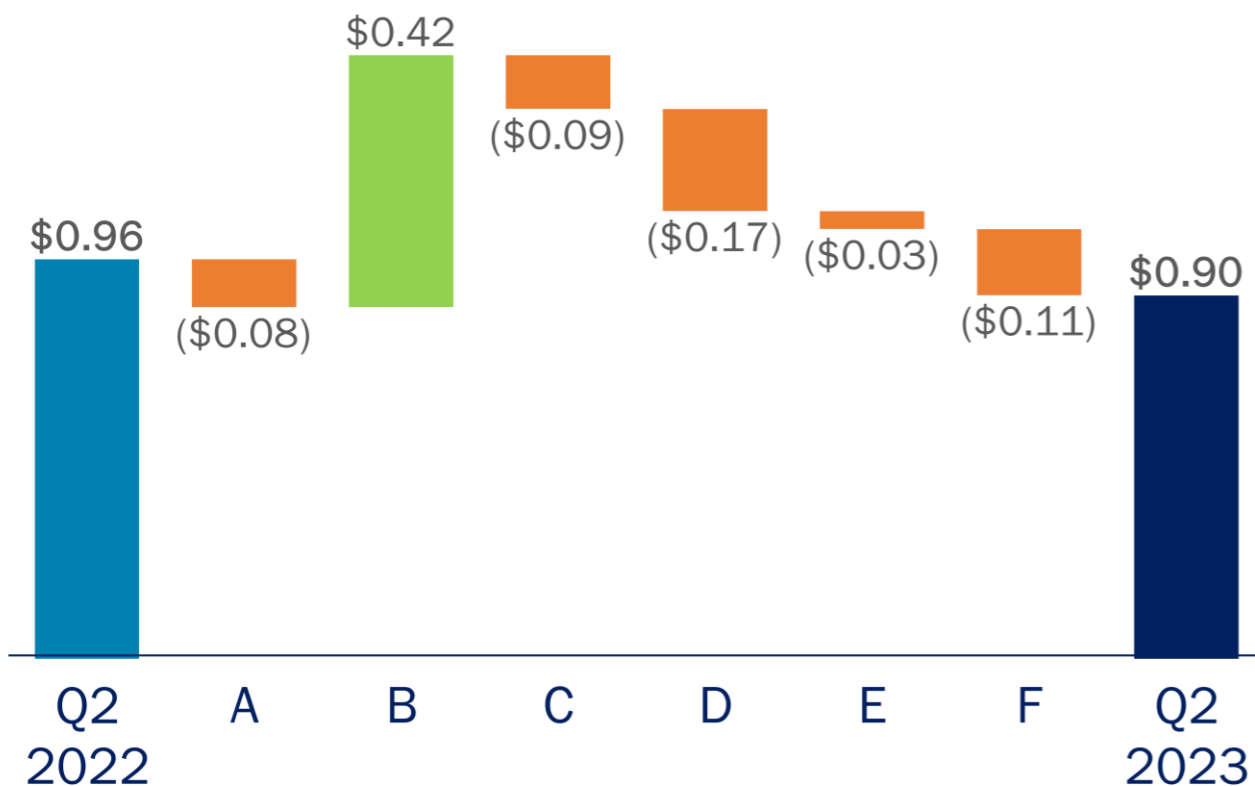
Diluted EPS

Second Quarter		Change	
2023	2022	\$	%
\$ 99,800	\$ 92,354	\$ 7,446	8.1%
28,346	26,469	1,877	7.1%
831	2,584	(1,753)	-67.8%
6,964	5,825	1,139	19.6%
22,213	23,228	(1,015)	-4.4%
6,080	6,177	(97)	-1.6%
\$ 16,133	\$ 17,051	\$ (918)	-5.4%
\$ 0.90	\$ 0.96	\$ (0.06)	-6.2%

Year to Date		Change	
2023	2022	\$	%
\$ 229,340	\$ 218,053	\$ 11,287	5.2%
83,261	81,334	1,927	2.4%
1,107	3,498	(2,391)	-68.4%
14,196	11,164	3,032	27.2%
70,172	73,668	(3,496)	-4.7%
17,695	19,683	(1,988)	-10.1%
\$ 52,477	\$ 53,985	\$ (1,508)	-2.8%
\$ 2.94	\$ 3.04	\$ (0.10)	-3.3%

Key Drivers of Performance – Quarter Ended June 30, 2023

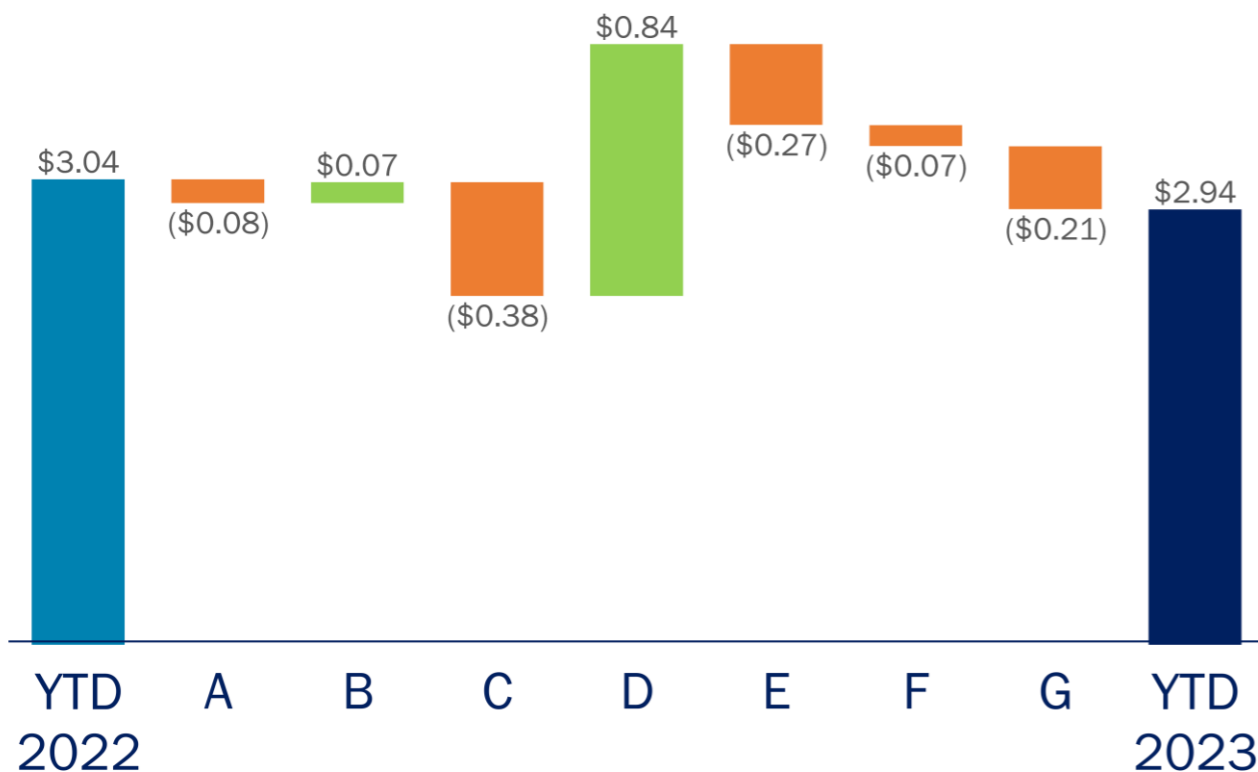
Diluted Earnings Per Share



Q2 2022 Diluted Earnings Per Share		\$0.96
A	Absence of gain from sales of assets	-\$0.08
B	Core business growth (not impacted by weather)	\$0.42
C	Lower customer consumption related to warmer weather	-\$0.09
D	Operating expenses	-\$0.17
E	Depreciation, amortization and property tax costs due to new capital investments	-\$0.03
F	Interest and other changes	-\$0.11
Q2 2023 Diluted Earnings Per Share		\$0.90

Key Drivers of Performance – Year-to-Date June 30, 2023

Diluted Earnings Per Share



YTD 2022 Diluted Earnings Per Share		\$3.04
A	Absence of gain from sales of assets	-\$0.08
B	Reduction in state tax rate	\$0.07
C	Lower customer consumption related to warmer weather	-\$0.38
D	Core business growth (not impacted by weather)	\$0.84
E	Operating expenses	-\$0.27
F	Depreciation, amortization and property tax costs due to new capital investments	-\$0.07
G	Interest and other changes	-\$0.21
YTD 2023 Diluted Earnings Per Share		\$2.94

Regulated Energy Segment – Financial Summary

Solid growth, offsetting warmer weather

(in thousands)

Adjusted Gross Margin¹

Dep., amort. & property taxes

Other operating expenses

Operating income

Second Quarter		Change		Year-to-Date		Change	
2023	2022	\$	%	2023	2022	\$	%
\$ 77,255	\$ 70,620	\$ 6,635	9.4%	\$ 164,237	\$ 153,068	\$ 11,169	7.3%
18,854	18,380	474	2.6%	37,524	36,631	893	2.4%
29,110	26,399	2,711	10.3%	59,797	55,898	3,899	7.0%
\$ 29,291	\$ 25,841	\$ 3,450	13.4%	\$ 66,916	\$ 60,539	\$ 6,377	10.5%



Year-to-Date Highlights

- Operating income up **10.5%** driven by:
 - Permanent rates associated with Florida natural gas base rate proceeding
 - Organic growth in natural gas distribution operations, including propane CGS conversions
 - Pipeline expansions by Eastern Shore Natural Gas, Florida Natural Gas, Peninsula Pipeline and Aspire Energy Express
 - Incremental contributions from regulated infrastructure programs
 - Partially offset by reduced consumption attributable to warmer weather

Unregulated Energy Segment – Financial Summary

Warmer weather partially offset by continued demand for CNG/RNG/LNG services

(in thousands)

Adjusted Gross Margin¹

Dep., amort. & property taxes

Other operating expenses

Operating income (loss)

Second Quarter		Change		Year-to-Date		Change	
2023	2022	\$	%	2023	2022	\$	%
\$ 22,635	\$ 21,762	\$ 873	4.0%	\$ 65,229	\$ 65,046	\$ 183	0.3%
4,777	4,466	311	7.0%	9,598	8,762	836	9.5%
18,851	16,736	2,115	12.6%	39,379	35,671	3,708	10.4%
\$ (993)	\$ 560	\$ (1,553)	-277.3%	\$ 16,252	\$ 20,613	\$ (4,361)	-21.2%



Year-to-Date Highlights

- Operating income down **21.0%** due to:
 - Reduced customer consumption impacted adjusted gross margin by \$5 million in Delmarva and Ohio regions due to warmer weather
 - Partially offset by increased propane margins and service fees
 - Decreased consumption from the conversion of propane customers to our natural gas system
 - Increased demand for CNG/RNG/LNG services

Capital Structure Overview – Strong Balance Sheet to Support Growth

	6/30/2023	12/31/2022
Stockholders' equity	\$ 864,228	\$ 832,801
Long-term debt, net of current maturities	645,742	578,388
Total permanent capitalization	\$ 1,509,970	\$ 1,411,189
Current portion of long-term debt	19,994	21,483
Short-term debt	95,807	202,157
Total capitalization and short-term financing	\$ 1,625,771	\$ 1,634,829
Equity to Permanent Capital	57.2%	59.0%
Equity to Total Capitalization	53.2%	50.9%
New Long-Term Debt Issuance	\$ 80,000	\$ 50,000
Net New Equity Issuance	\$ 821	\$ 8,916

Long-Term Debt

- Avg. Interest Rate: 3.89%
- \$80M: 5.43% issued in March 2023

Short-Term Debt

- \$400M facility
 - 1 year facility: \$200M, SOFR + 0.70%
 - 5 year facility: \$200M, SOFR + 0.95%
- Maintaining a \$50M interest rate swap at 3.98% through September 2025
- Focused on 1 year facility which is up for renewal in August 2023
- \$100M aggregate green sublimit to support ongoing initiatives
 - 2022 - \$9.4M Planet Found acquisition
 - 2023 - Full Circle Dairy

Stockholders' Equity increased \$31.4 million since the end of 2022 primarily driven by:

- Strong Net Income performance of \$52.5 million
- Continued Dividend payments of \$20.2 million

Major Projects and Initiatives Update

Key Projects and Initiatives Driving Adjusted Gross Margin

Project/Initiative (in thousands)	Adjusted Gross Margin							
	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended	Estimate for Fiscal		
	2023	2022	2023	2022	December 2022	2023	2024	
Pipeline Expansions:								
Guernsey Power Station	\$ 369	\$ 368	\$ 734	\$ 631	\$ 1,377	\$ 1,486	\$ 1,482	
Southern Expansion	-	-	-	-	-	586	2,344	
Winter Haven Expansion	163	28	302	61	260	576	626	
Beachside Pipeline Extension	603	-	603	-	-	1,825	2,451	
North Ocean City Connector	-	-	-	-	-	-	200	
St. Cloud / Twin Lakes Expansion	-	-	-	-	-	268	584	
Clean Energy ¹	269	-	516	-	126	1,009	1,009	
Wildlight	67	-	93	-	-	528	2,000	
Lake Wales	38	-	38	-	-	265	454	
Newberry	-	-	-	-	-	TBD	TBD	
Total Pipeline Expansions	1,509	396	2,286	692	1,763	6,543	11,150	
CNG/RNG/LNG Transportation and Infrastructure	2,905	2,427	6,426	4,660	11,100	\$ 12,558	\$ 12,280	
Regulatory Initiatives:								
Florida GUARD Program	-	-	-	-	-	177	1,412	
Capital Cost Surcharge Programs	703	497	1,423	1,014	2,001	2,811	3,558	
Florida Rate Case Proceeding ²	3,873	-	7,970	-	2,474	16,289	17,153	
Electric Storm Protection Plan	436	-	642	-	486	960	2,433	
Total Regulatory Initiatives	5,012	497	10,035	1,014	4,961	20,237	24,556	
Total	\$ 9,426	\$ 3,320	\$ 18,747	\$ 6,366	\$ 17,824	\$ 39,338	\$ 47,986	
Year-Over-Year Change						\$ 21,514	\$ 8,648	

¹Includes adjusted gross margin generated from interim services.

²Includes adjusted gross margin comprised of both interim rates and permanent base rates in 2023.

Key Expansion Projects

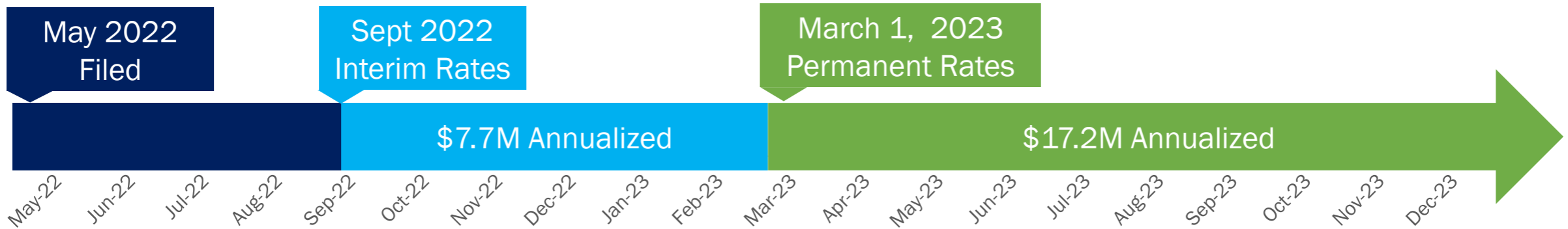
Significant activity in 2023

Project	Capital Investment	Fully In Service	Annual Adjusted Gross Margin Estimate
Guernsey Power Station	\$6.4 million	Q4 2021	\$1.5 million
Winter Haven Expansion	\$3.5 million	Q3 2022	\$0.6 million
North Ocean City Connector*	\$6.3 million	Q2 2023	\$0.2 million
Beachside Pipeline Extension	\$10.5 million	Q2 2023	\$2.5 million
Lake Wales	\$2.2 million	Q2 2023	\$0.5 million
St. Cloud / Twin Lakes Expansion	\$3.5 million	Q3 2023	\$0.6 million
Clean Energy Expansion	\$5.5 million	Q3 2023	\$1.0 million
Southern Expansion	\$14.0 million	Q4 2023	\$2.3 million
Wildlight Expansion	\$13.4 million	2025	\$2.0 million
Newberry Expansion	\$18.1 million	2025	TBD

Total investments of \$83.4 million generate incremental adjusted gross margin of \$11.2 million once fully in service in 2025

Regulatory Initiatives - Rate Case Activity

- Florida Public Utilities' natural gas base rate case was approved in February, with an effective date beginning on March 1, 2023
 - Included a depreciation study and the consolidation of four natural gas distribution entities in Florida
 - Provides incremental rate base of \$17.2 million and allowed return on equity of 10.25%
 - Equity percentage of 55%



• Maryland rate case

- Planning combined rate case and depreciation studies for Maryland Division, Sandpiper Energy, and Elkton Gas
- Filing date anticipated by January 31, 2024

Regulatory Initiatives – Infrastructure Programs

Florida GUARD Program

- In February 2023, Florida Public Utilities filed for petition of the GUARD program (Gas Utility Access and Replacement Directive)
- 10-year program to enhance safety, reliability and accessibility of portions of FPU's natural gas distribution system by:
 - Relocating mains and service lines from rear easements and other difficult access areas to front of street
 - Replacing problematic distribution mains, service lines and maintenance and repair equipment
- Approved by the Florida Public Service Commission in August 2023, and includes \$205 million of capital expenditures projected to be spent over a 10-year period
- Expected adjusted gross margin impact of less than \$0.1 million in 2023 and \$1.4 million in 2024

Storm Protection Plan

- FPU's electric utility Storm Protection Plan and Storm Protection Plan Cost Recovery mechanisms were approved in the fourth quarter of 2022, with modifications by the Florida PSC
- Annual adjusted gross margin of \$1.0 million in 2023 and \$2.4 million in 2024, with continued investment going forward

Eastern Shore Capital Cost Surcharge Programs

- Eastern Shore recovery mechanism for capital costs associated with mandated highway and railroad relocation projects, along with PHMSA required safety upgrades that required the replacement of existing Eastern Shore facilities
- Expect the program will generate adjusted gross margin of approximately \$2.8 million in 2023 and \$3.6 million in 2024

Chesapeake Utilities' Company Culture

2022 Sustainability Report



2022 Sustainability Report
REPORTED AS OF 12.31.22

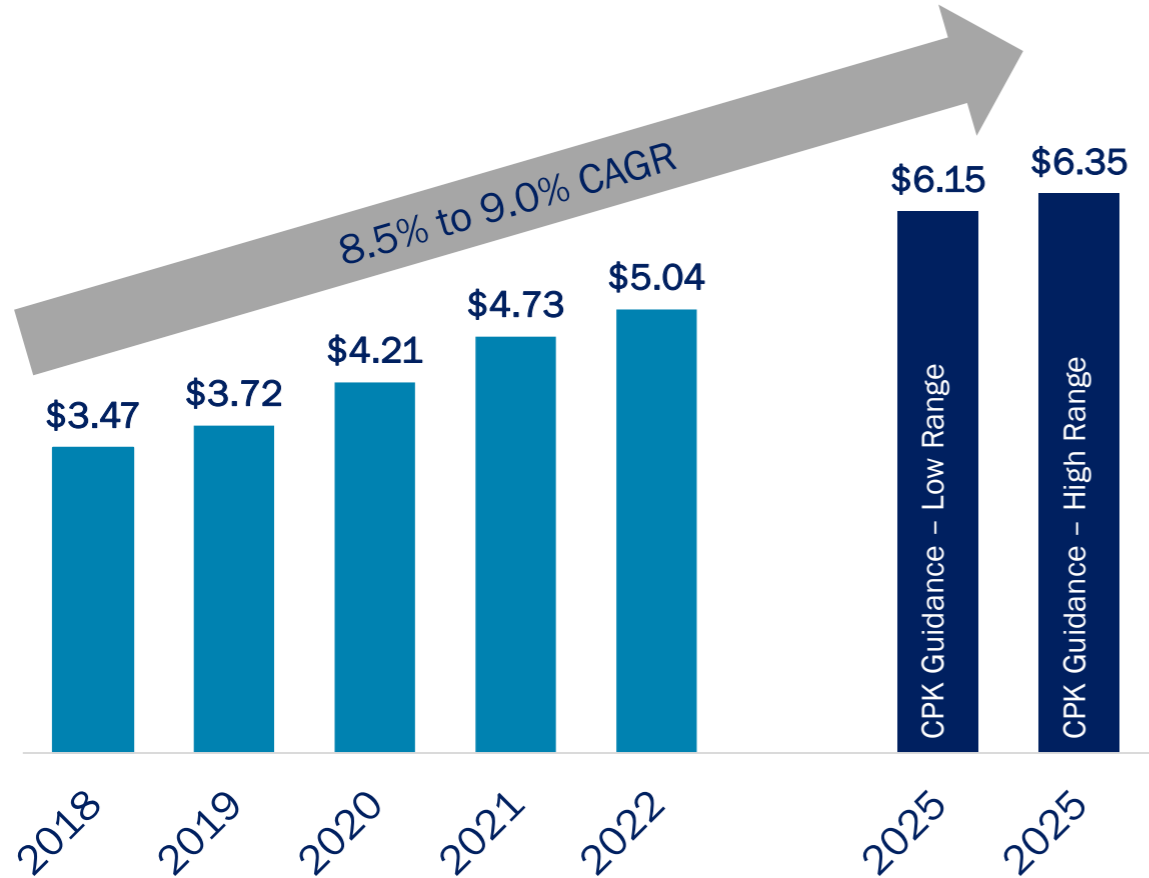
2022 Top Safety Performer

- Recognized by the American Gas Association (AGA)
 - FPU and ESNG earned AGA Safety Achievement Award, demonstrating commitment to employee and vehicular safety
 - Aspire Energy named an industry leader in accident prevention and for achieving a lower than industry standard rate related to the impact of workplace injuries

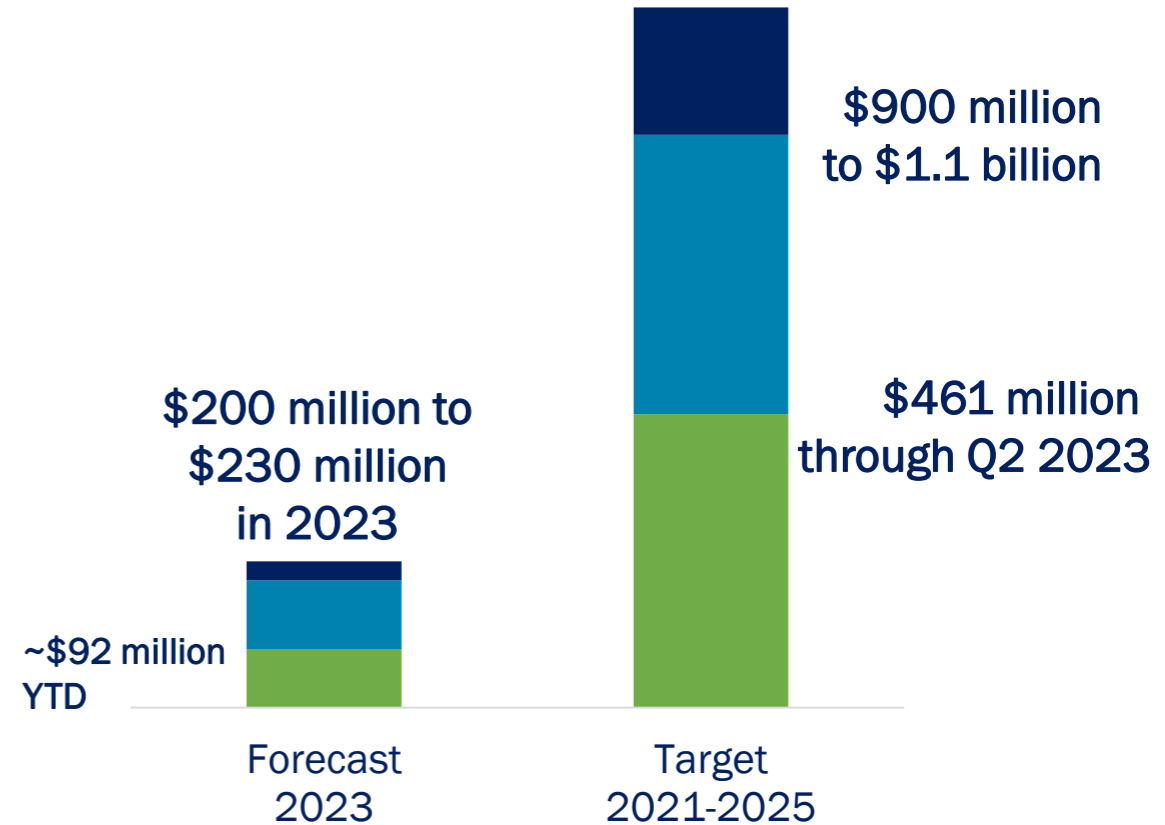


Reaffirmation of Guidance

Diluted Earnings Per Share from Continuing Operations Guidance through 2025



Short-term and Long-term Capital Guidance

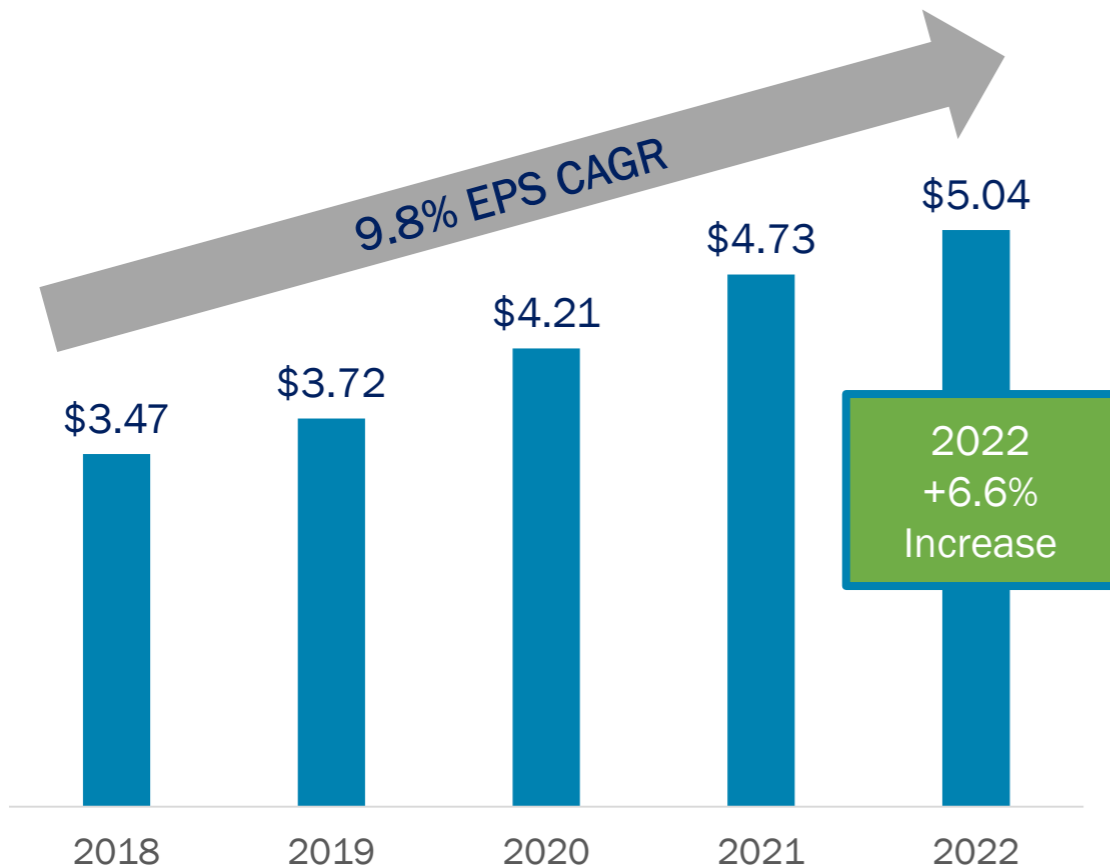


Strategic capital investments continue to drive earnings growth

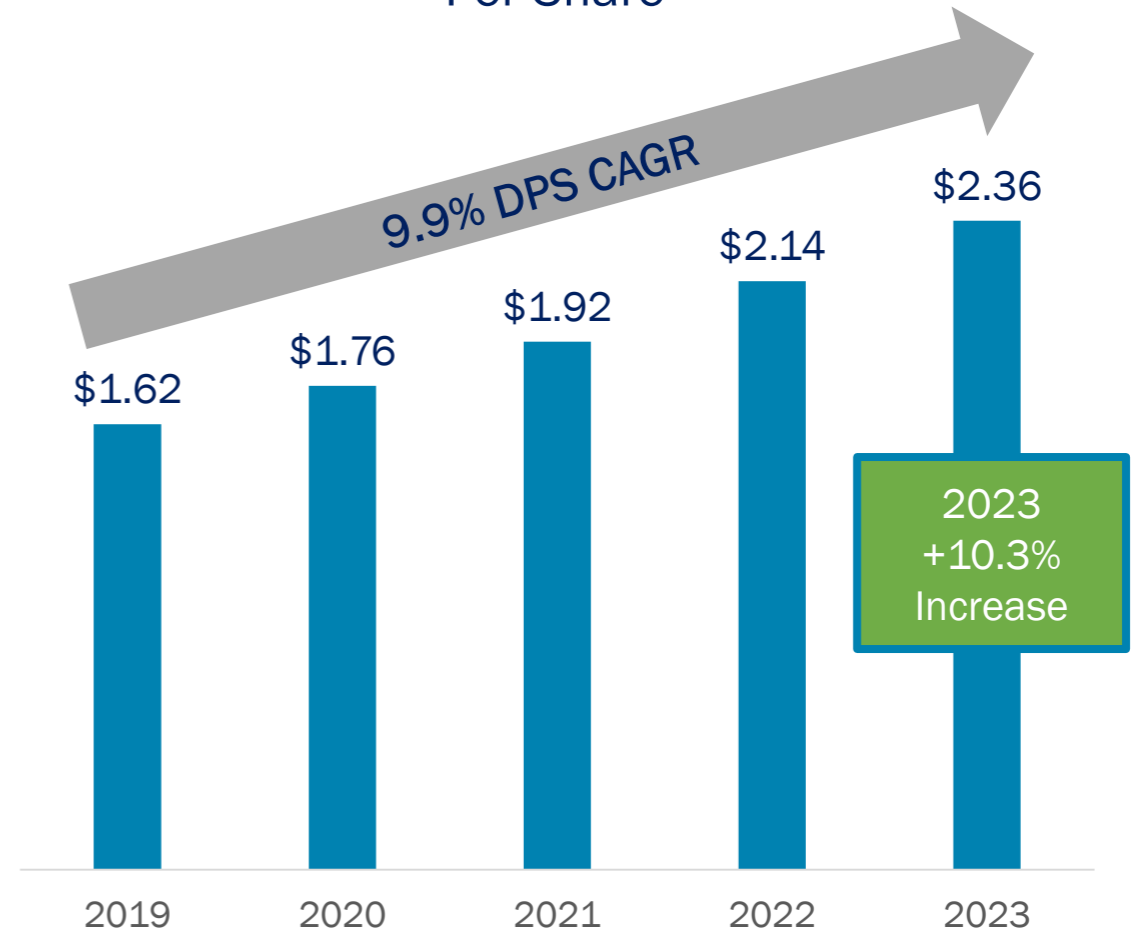
Historical Earnings and Dividend Performance

Long history of industry leading earnings and dividend growth

Diluted Earnings Per Share from Continuing Operations



Annualized Dividends Per Share



Investment Proposition – Committed to Superior Performance

Sustainability Strategy

GROW

Responsibly grow the Company to achieve long-term, sustainable success for our stakeholders.

PROTECT

Give precedence to the protection of our people, communities, assets and the environment.

TRANSFORM

Drive next-generation technological and organizational improvements.

Track Record

Energized Team

Strong Foundation for Growth

Financial Discipline

Platforms for Growth

Financial Objectives in Support of Increased Shareholder Value:

- ✓ Investing \$900 million to \$1.1 billion through 2025 with increasing renewable energy investments
- ✓ Targeting 2025 EPS \$6.15 to \$6.35
- ✓ 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

**CHESAPEAKE
UTILITIES
CORPORATION**

Appendix

GAAP to Non-GAAP Reconciliation – Consolidated Results

(in thousands)

Operating Revenues

Cost of Sales:

Natural gas, propane and electric costs

Depreciation & amortization

Operations & maintenance expense¹

Gross Margin (GAAP)

Operations & maintenance expense¹

Depreciation & amortization

Adjusted Gross Margin (non-GAAP)

	Second Quarter		Change		Year-to-Date		Change	
	2023	2022	\$	%	2023	2022	\$	%
Operating Revenues	\$ 135,593	\$ 139,470	\$ (3,877)	-2.8%	\$ 353,722	\$362,350	\$ (8,628)	-2.4%
Cost of Sales:								
Natural gas, propane and electric costs	(35,793)	(47,116)	11,323	-24.0%	(124,382)	(144,297)	19,915	-13.8%
Depreciation & amortization	(17,303)	(17,216)	(87)	0.5%	(34,486)	(34,193)	(293)	0.9%
Operations & maintenance expense ¹	(16,762)	(15,544)	(1,218)	7.8%	(34,520)	(31,185)	(3,335)	10.7%
Gross Margin (GAAP)	65,735	59,594	6,141	10.3%	160,334	152,675	7,659	5.0%
Operations & maintenance expense ¹	16,762	15,544	1,218	7.8%	34,520	31,185	3,335	10.7%
Depreciation & amortization	17,303	17,216	87	0.5%	34,486	34,193	293	0.9%
Adjusted Gross Margin (non-GAAP)	\$ 99,800	\$ 92,354	\$ 7,446	8.1%	\$ 229,340	\$218,053	\$ 11,287	5.2%

¹ Operations & maintenance expenses within the Consolidated Statements of Income are presented in accordance with regulatory requirements and to provide comparability within the industry. Operations & maintenance expenses which are deemed to be directly attributable to revenue producing activities have been separately presented above in order to calculate Gross Margin as defined under US GAAP. See Chesapeake Utilities' Annual Report on Form 10-K for the year ended December 31, 2022 for additional details.

GAAP to Non-GAAP Reconciliation – Regulated Energy Segment

(in thousands)

Operating Revenues

Cost of Sales:

Natural gas, propane and electric costs

Depreciation & amortization

Operations & maintenance expense¹

Gross Margin (GAAP)

Operations & maintenance expense¹

Depreciation & amortization

Adjusted Gross Margin (non-GAAP)

Second Quarter		Change		Year-to-Date		Change	
2023	2022	\$	%	2023	2022	\$	%
\$ 101,141	\$ 92,193	\$ 8,948	9.7%	\$ 243,411	\$220,084	\$ 23,327	10.6%
(23,886)	(21,573)	(2,313)	10.7%	(79,174)	(67,016)	(12,158)	18.1%
(13,035)	(13,140)	105	-0.8%	(25,987)	(26,225)	238	-0.9%
(9,240)	(8,324)	(916)	11.0%	(18,527)	(16,485)	(2,042)	12.4%
<u>54,980</u>	<u>49,156</u>	<u>5,824</u>	<u>11.8%</u>	<u>119,723</u>	<u>110,358</u>	<u>9,365</u>	<u>8.5%</u>
9,240	8,324	916	11.0%	18,527	16,485	2,042	12.4%
<u>13,035</u>	<u>13,140</u>	<u>(105)</u>	<u>-0.8%</u>	<u>25,987</u>	<u>26,225</u>	<u>(238)</u>	<u>-0.9%</u>
<u>\$ 77,255</u>	<u>\$ 70,620</u>	<u>\$ 6,635</u>	<u>9.4%</u>	<u>\$ 164,237</u>	<u>\$153,068</u>	<u>\$ 11,169</u>	<u>7.3%</u>

¹ Operations & maintenance expenses within the Consolidated Statements of Income are presented in accordance with regulatory requirements and to provide comparability within the industry. Operations & maintenance expenses which are deemed to be directly attributable to revenue producing activities have been separately presented above in order to calculate Gross Margin as defined under US GAAP. See Chesapeake Utilities' Annual Report on Form 10-K for the year ended December 31, 2022 for additional details.

GAAP to Non-GAAP Reconciliation – Unregulated Energy Segment

(in thousands)

Operating Revenues

Cost of Sales:

Natural gas, propane and electric costs

Depreciation & amortization

Operations & maintenance expense¹

Gross Margin (GAAP)

Operations & maintenance expense¹

Depreciation & amortization

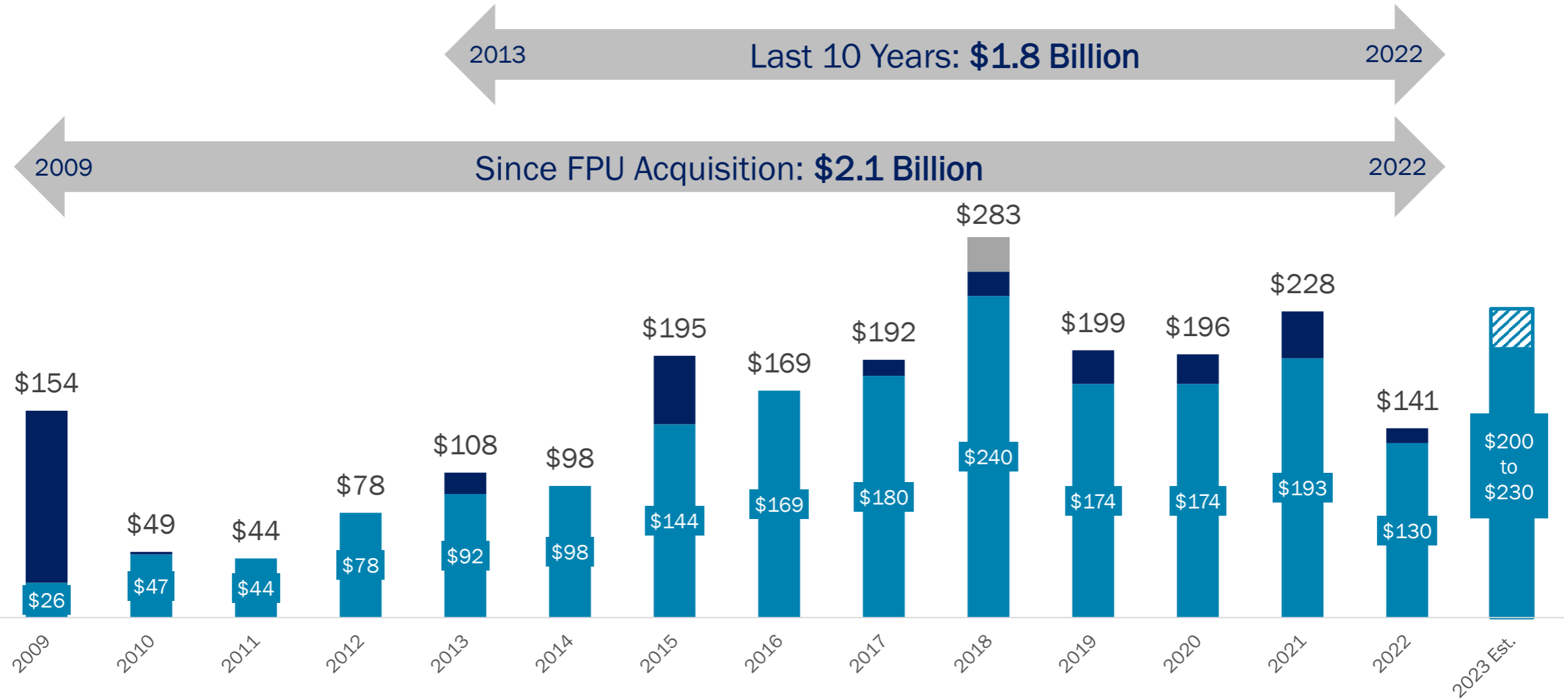
Adjusted Gross Margin (non-GAAP)

	Second Quarter		Change			Year-to-Date		Change	
	2023	2022	\$	%		2023	2022	\$	%
Operating Revenues	\$ 40,751	\$ 53,463	\$ (12,712)	-23.8%		\$ 123,916	\$154,754	\$ (30,838)	-19.9%
Cost of Sales:									
Natural gas, propane and electric costs	(18,116)	(31,701)	13,585	-42.9%		(58,687)	(89,708)	31,021	-34.6%
Depreciation & amortization	(4,269)	(4,074)	(195)	4.8%		(8,503)	(7,954)	(549)	6.9%
Operations & maintenance expense ¹	<u>(7,520)</u>	<u>(6,699)</u>	<u>(821)</u>	<u>12.3%</u>		<u>(15,996)</u>	<u>(13,756)</u>	<u>(2,240)</u>	<u>16.3%</u>
Gross Margin (GAAP)	<u>10,846</u>	<u>10,989</u>	<u>(143)</u>	<u>-1.3%</u>		<u>40,730</u>	<u>43,336</u>	<u>(2,606)</u>	<u>-6.0%</u>
Operations & maintenance expense ¹	7,520	6,699	821	12.3%		15,996	13,756	2,240	16.3%
Depreciation & amortization	<u>4,269</u>	<u>4,074</u>	<u>195</u>	<u>4.8%</u>		<u>8,503</u>	<u>7,954</u>	<u>549</u>	<u>6.9%</u>
Adjusted Gross Margin (non-GAAP)	\$ <u>22,635</u>	\$ <u>21,762</u>	\$ <u>873</u>	<u>4.0%</u>		\$ <u>65,229</u>	\$ <u>65,046</u>	\$ <u>183</u>	<u>0.3%</u>

¹ Operations & maintenance expenses within the Consolidated Statements of Income are presented in accordance with regulatory requirements and to provide comparability within the industry. Operations & maintenance expenses which are deemed to be directly attributable to revenue producing activities have been separately presented above in order to calculate Gross Margin as defined under US GAAP. See Chesapeake Utilities' Annual Report on Form 10-K for the year ended December 31, 2022 for additional details.

Capital Investment Has Driven Our Earnings Growth

Long track record of prudent capital investments

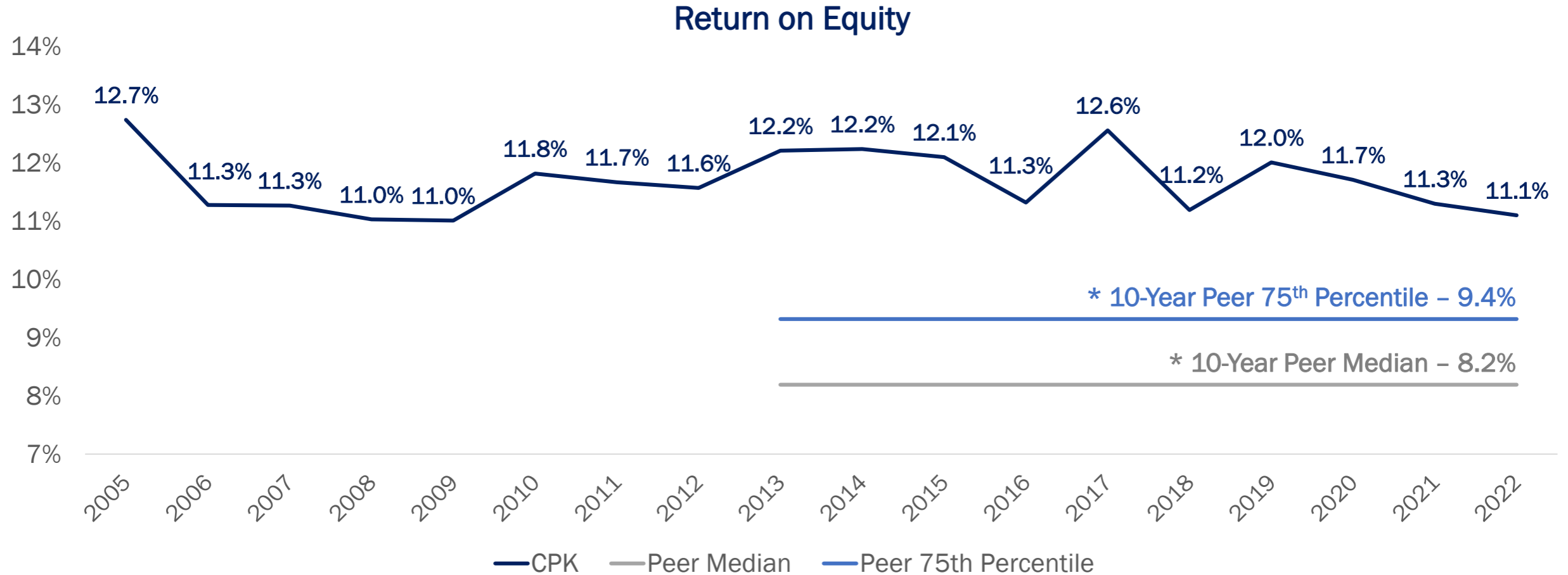


Quarterly Earnings Cadence

Year	Q1 EPS	Q2 EPS	Q3 EPS	Q4 EPS	FY EPS
2023	\$2.04	\$0.90			
2022	\$2.08	\$0.96	\$0.54	\$1.46	\$5.04
<i>% of FY</i>	41%	19%	11%	29%	
2021	\$1.96	\$0.78	\$0.71	\$1.28	\$4.73
<i>% of FY</i>	41%	16%	15%	27%	
2020	\$1.77	\$0.64	\$0.56	\$1.24	\$4.21
<i>% of FY</i>	42%	15%	13%	29%	
2019	\$1.75	\$0.54	\$0.38	\$1.04	\$3.72*
<i>% of FY</i>	47%	15%	10%	28%	
2018	\$1.66	\$0.35	\$0.37	\$1.09	\$3.47
<i>% of FY</i>	48%	10%	11%	31%	
5yr % Band	41% - 48%	10% - 19%	10% - 15%	27% - 31%	

Solid Track Record of Return on Equity

Consistently exceeding peer median and 75th percentile



18 years with 11%+ Return on Equity

Mission, Vision and Values

OUR Mission

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

OUR Vision

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

OUR 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.