

**CHESAPEAKE
UTILITIES
CORPORATION**

2023 AGA Financial Forum
Fort Lauderdale, Florida
May 21, 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.

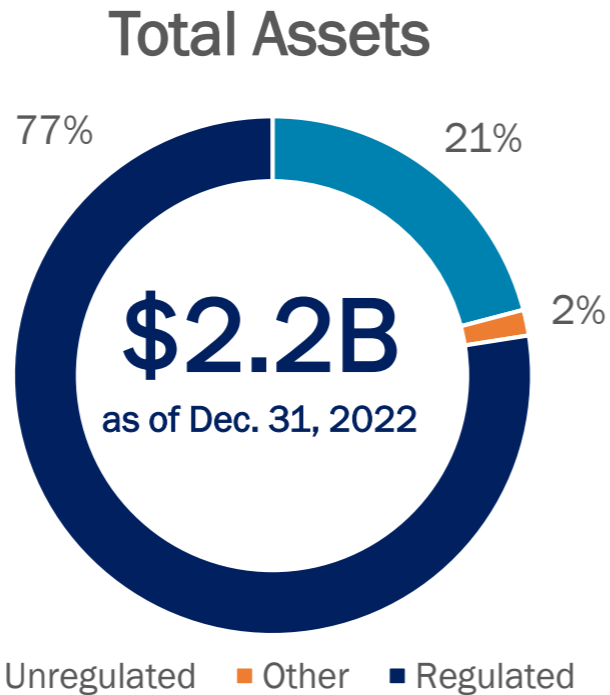
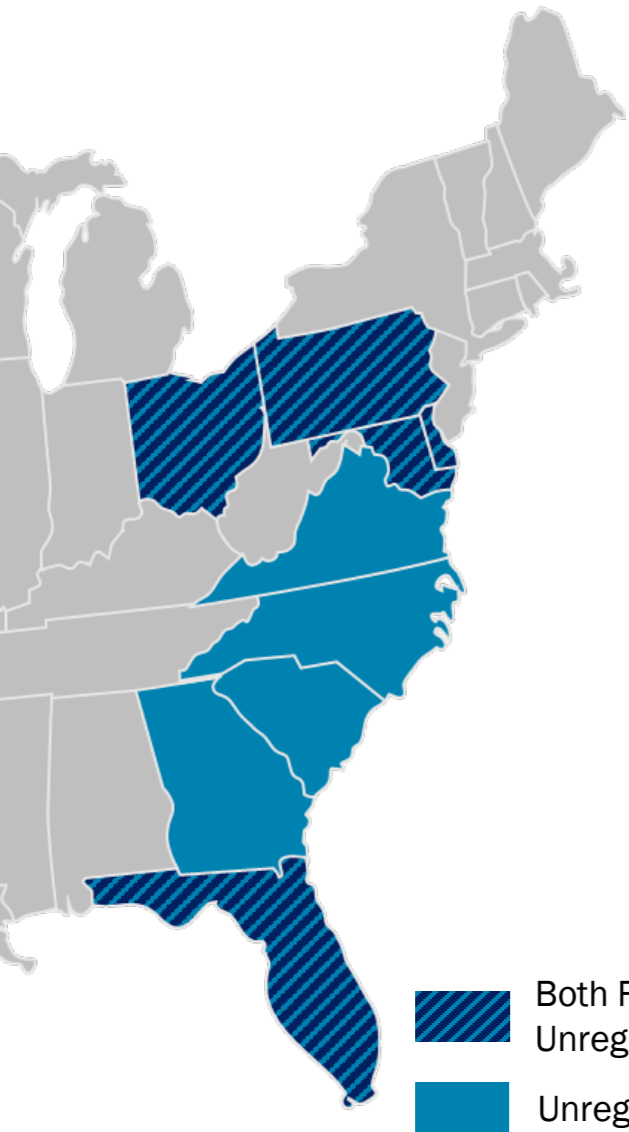
The Company calculates Adjusted Gross Margin by deducting the purchased cost of natural gas, propane and electricity and the cost of labor spent on direct revenue-producing activities from operating revenues. The costs included in Adjusted Gross Margin exclude depreciation and amortization and certain 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



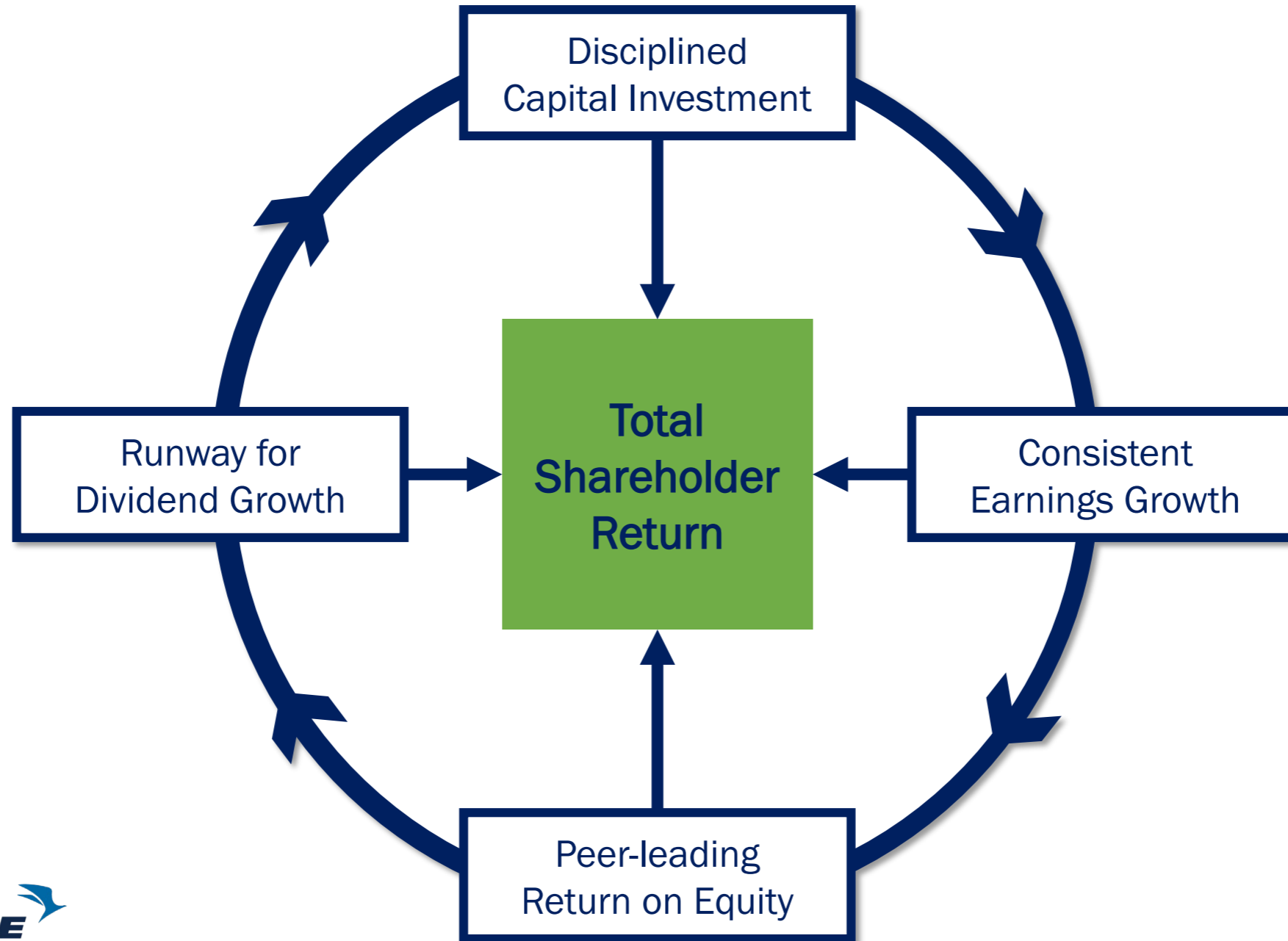
- **160+** – Years providing energy
- **1,034** – Employees at Dec. 31, 2022
- **~310,000** – Distribution customers
- **\$2.2 billion** – Total Assets at December 31, 2022
- **16th** – Consecutive year of earnings growth
- **7.6%** - Growth in Net Income over 2021
- **2x** – Doubled Net Income over last 6 years
- **18th** - Consecutive year with a Return on Equity above 11%
- **62** – Consecutive years paying quarterly dividends
- **20th** - Consecutive year increasing annualized dividend per share

Diversified Portfolio of Energy Delivery Solutions



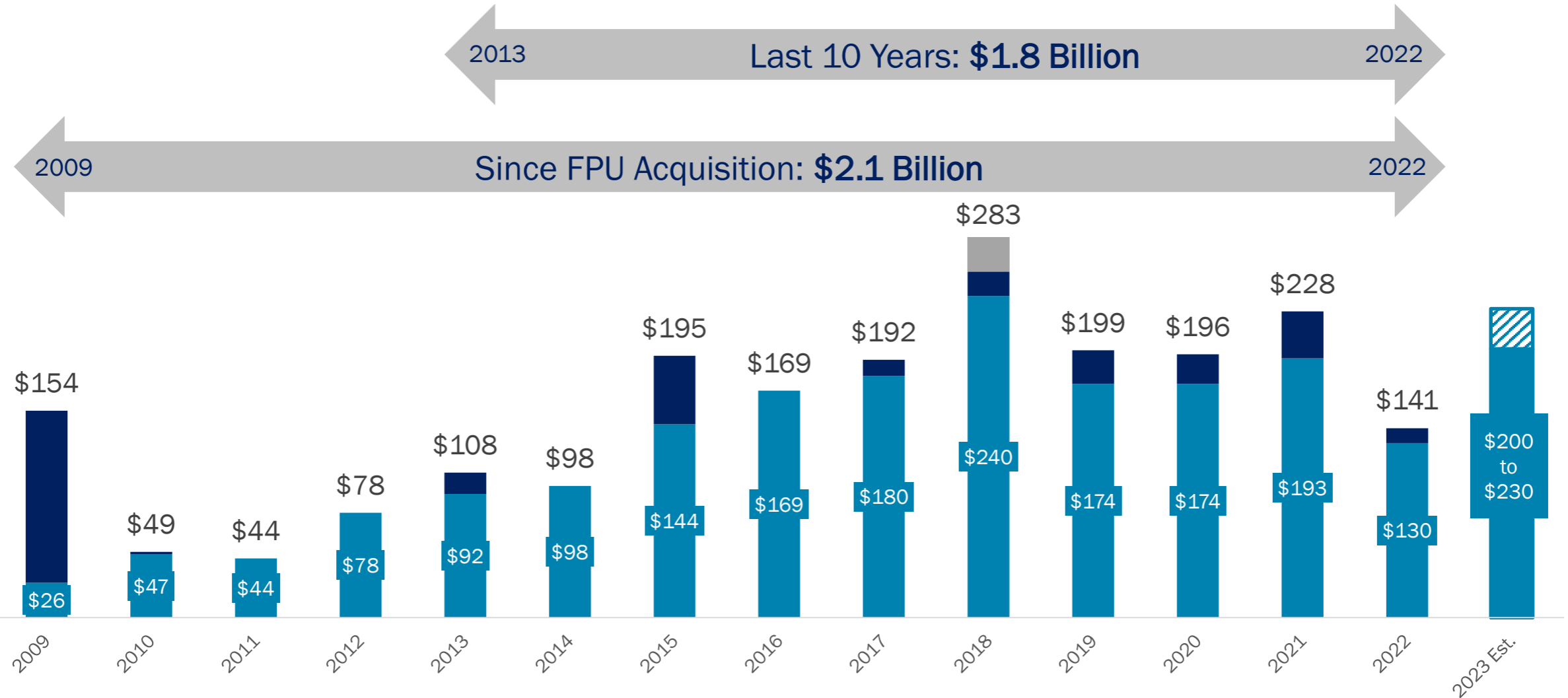
Business Line	States Served
Regulated Energy Segment	
Natural Gas Transmission	DE, FL, MD, PA, OH
Natural Gas Distribution	DE, MD, FL
Electric Distribution	FL
Unregulated Energy Segment	
Propane Distribution	PA, DE, MD, VA, NC, SC, FL
Natural Gas Pipeline System	OH
CNG Services	Multiple – Including New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

Chesapeake Utilities' Model for Financial Success



Capital Investment Has Driven Our Earnings Growth

Long track record of prudent capital investments



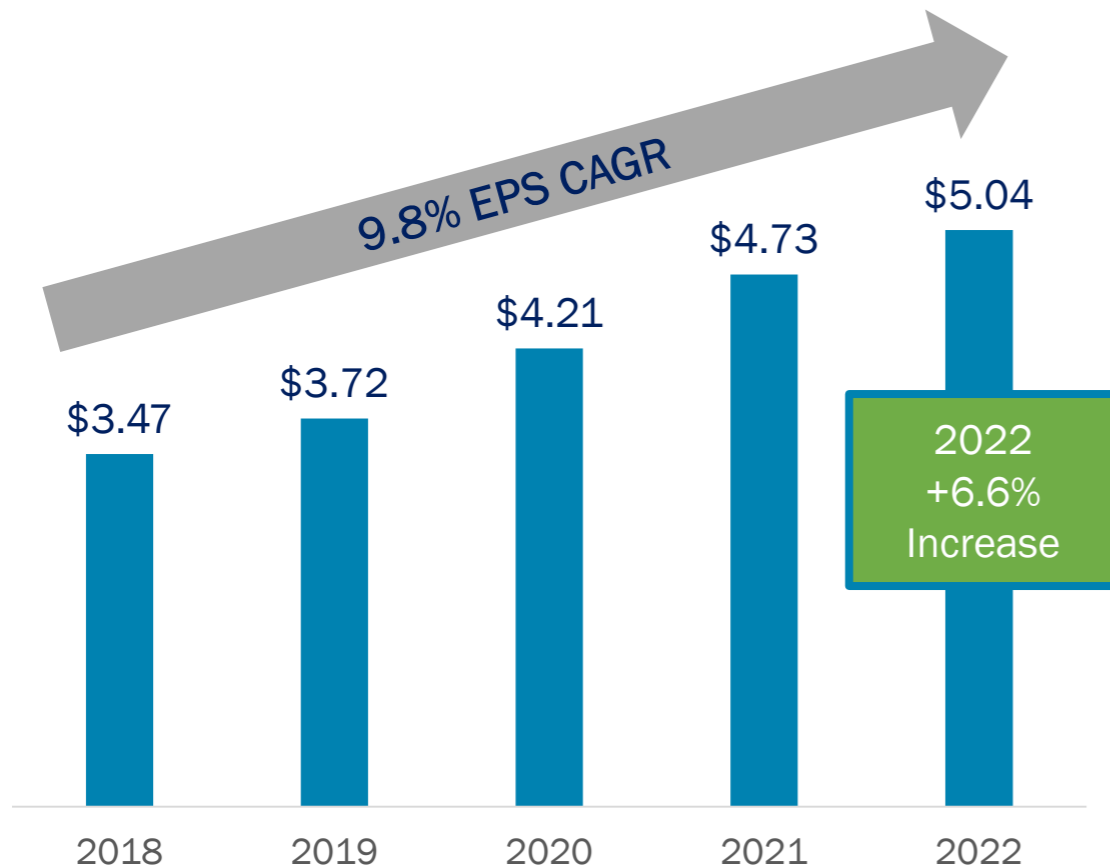
■ Capital investments ■ Acquisitions ■ Hurricane Michael

Amounts in chart reflected in millions.

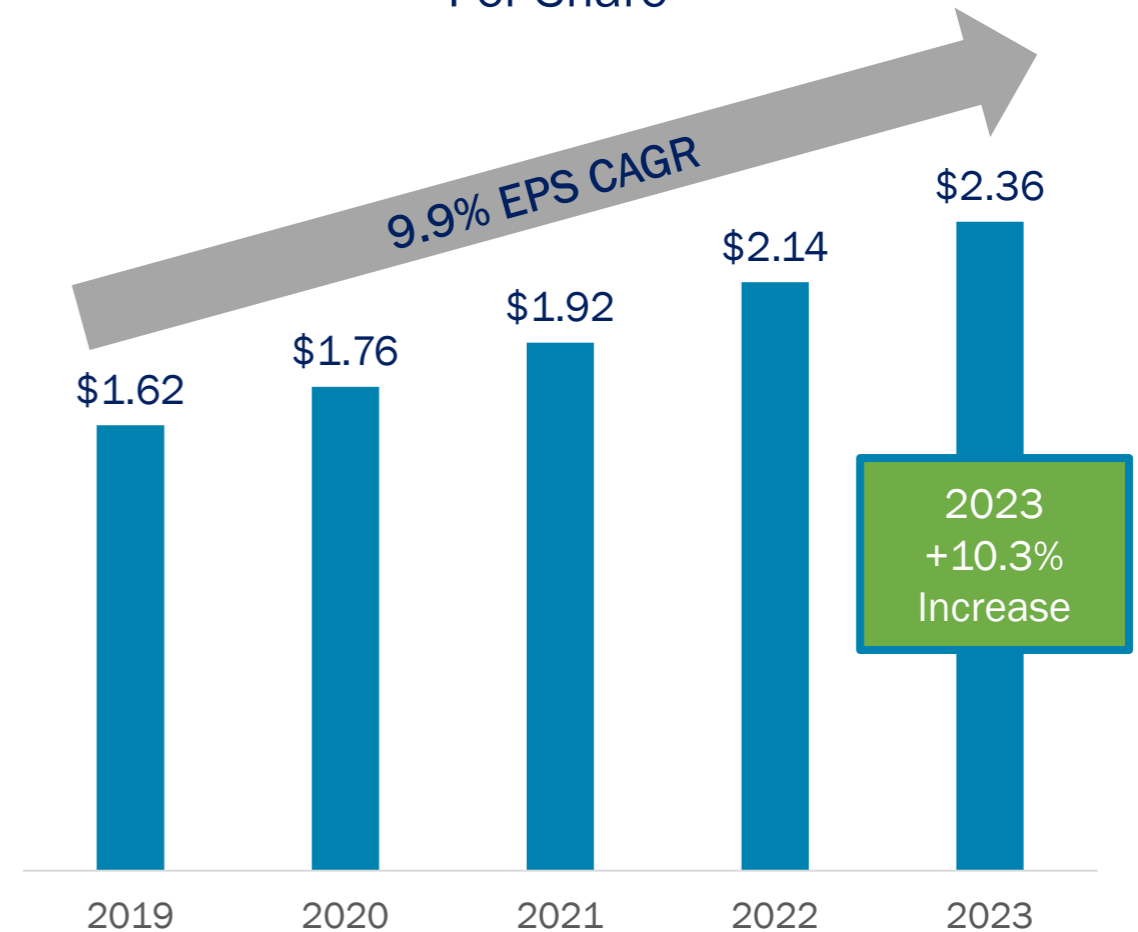
Historical Earnings and Dividend Performance

Long history of industry leading earnings and dividend growth

Diluted Earnings Per Share from Continuing Operations

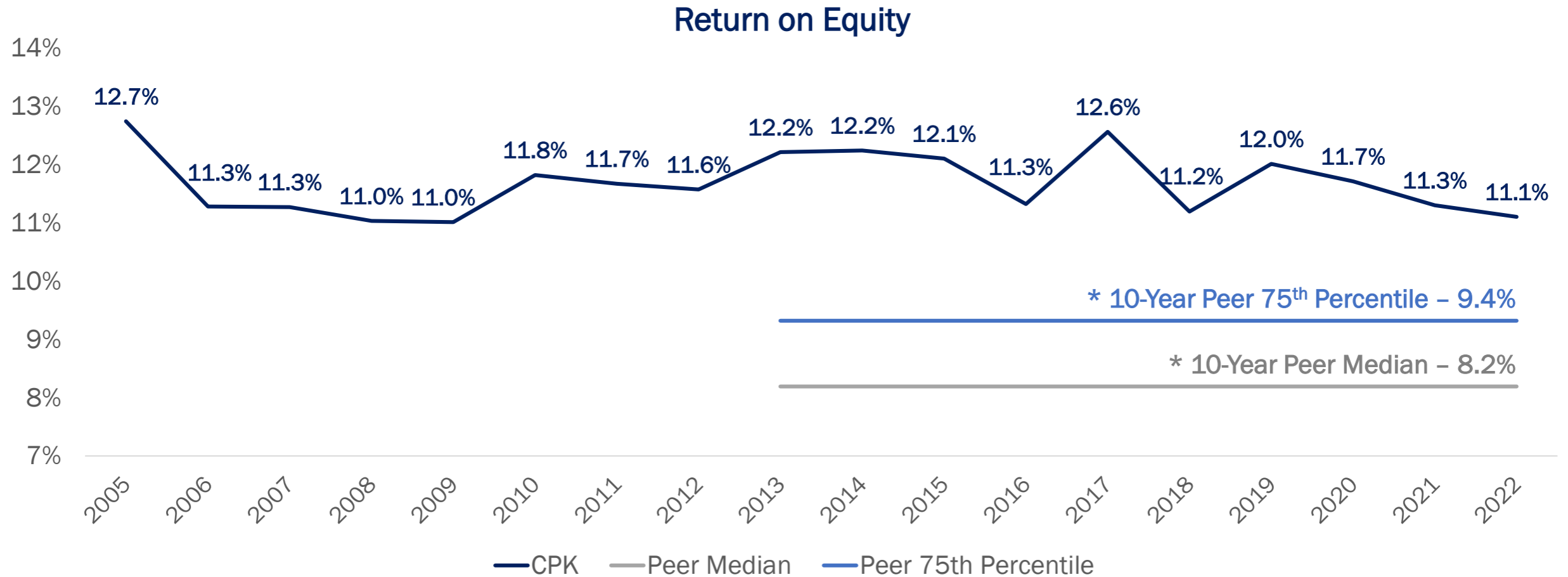


Annualized Dividends Per Share



Solid Track Record of Return on Equity

Consistently exceeding peer median and 75th percentile



18 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	9.0%	12.9%	15.9%	18.6%	17%	80%	99%	100%
EPS Growth (CAGR)	6.6%	8.5%	7.3%	9.8%	52%	66%	89%	100%
Return on Equity	11.1%	11.4%	11.5%	11.7%	90%	100%	99%	96%
DPS Growth (CAGR)	11.5%	9.7%	10.5%	8.2%	84%	100%	100%	100%
Earnings Retention Ratio	57.6%	58.5%	58.4%	58.4%	90%	89%	100%	100%
Shareholder Return (CAGR)	-17.6%	9.1%	10.4%	16.9%	0%	100%	100%	100%

Industry leading financial performance is driving increased value

Capital Structure Overview – Strong Balance Sheet to Support Growth

	3/31/2023	12/31/2022
Stockholders' equity	\$ 858,588	\$ 832,801
Long-term debt, net of current maturities	656,284	578,388
Total permanent capitalization	\$ 1,514,872	\$ 1,411,189
Current portion of long-term debt	21,489	21,483
Short-term debt	94,079	202,157
Total capitalization and short-term financing	\$ 1,630,440	\$ 1,634,829
Equity to Permanent Capital	56.7%	59.0%
Equity to Total Capitalization	52.7%	50.9%
New Long-Term Debt Issuance	\$ 80,000	\$ 50,000
Net New Equity Issuance	\$ -	\$ 8,916

Stockholders' Equity increased \$25.8 million since the end of 2022 primarily driven by:

- Strong Net Income performance of \$36.3 million
- Continued Dividend payments of \$9.6 million

Long-Term Debt

- Avg. Interest Rate: 3.89%
- \$50M: 2.95% issued in March 2022
- \$80M: 5.43% issued in March 2023

Available LTD Shelf Facilities

- \$255M available under Prudential and Met Life facilities

Short-Term Debt

- \$400M facility
 - \$200M: SOFR + 0.70%
 - \$200M: SOFR + 0.95%
- Both tranches have green sublimits
- Entered into interest rate swap on \$50M for 3 years at 3.98% in 2022

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.

Our Sustainability Strategy

GROW



PROTECT



TRANSFORM



**CHESAPEAKE
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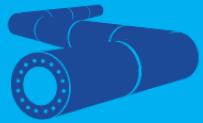
GROW

Growth Platform Focus



Organic Growth:

- 5.8% / 4.4% residential customer growth in Delmarva / Florida for Q1'23
- Added more than 8,900 residential customers
- 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
- New projects being evaluated and pursued in Delmarva, Florida and Ohio



Propane Distribution:

- Mitigated historically high temperatures across northern territories
- Integrating Sharp's programs and practices within recent acquisitions



Marlin Gas Services:

- Increased demand for CNG services in Q1'23
- 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 collective team that submitted a proposal for a hydrogen hub in the Delaware, Philadelphia and Southern New Jersey region

Major Projects and Initiatives

Key Projects Driving Adjusted Gross Margin



Project/Initiative

in thousands

Pipeline Expansions:

Guernsey Power Station Southern Expansion					
Winter Haven Expansion					
Beachside Pipeline Extension					
North Ocean City Connector					
St. Cloud / Twin Lakes Expansion					
Clean Energy ¹					
Wildlight					
Lake Wales					
Total Pipeline Expansions					

CNG/RNG/LNG Transportation and Infrastructure

Regulatory Initiatives:

Florida GUARD Program					
Capital Cost Surcharge Programs					
Florida Rate Case Proceeding ²					
Electric Storm Protection Plan					
Total Regulatory Initiatives					

Total

Year-Over-Year Change

Adjusted Gross Margin					
Three Months Ended		Year Ended		Estimate for Fiscal	
March 31,		December		Fiscal	
2023	2022	2022	2023	2024	
\$ 365	\$ 263	\$ 1,377	\$ 1,486	\$ 1,482	
—	—	—	586	2,344	
139	33	260	576	626	
—	—	—	1,825	2,451	
—	—	—	—	200	
—	—	—	268	584	
247	—	126	1,009	1,009	
26	—	—	528	2,000	
—	—	—	TBD	TBD	
777	296	1,763	6,278	10,696	
3,521	2,233	11,100	12,521	12,348	
—	—	—	TBD	TBD	
720	517	2,001	2,811	3,558	
4,097	—	2,474	16,289	17,153	
206	—	486	1,663	3,032	
5,023	517	4,961	20,763	23,743	
\$ 9,321	\$ 3,046	\$ 17,824	\$ 39,562	\$ 46,787	
			\$ 21,738	\$ 7,225	

¹Includes adjusted gross margin generated from interim services.

²Includes adjusted gross margin during the first quarter of 2023 comprised of both interim rates and permanent base rates.

Key Expansion Projects

Significant activity in 2023

Project	Capital Investment	Fully In Service	Annual Adjusted Gross Margin Estimate
Guernsey Power Station	\$6.5 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
St. Cloud / Twin Lakes Expansion	\$3.5 million	Q2 2023	\$0.6 million
Beachside Pipeline Extension	\$10.5 million	Q2 2023	\$2.5 million
Lake Wales	\$2.2 million	Q2 2023	TBD
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

Total investments of \$65.4 million generate incremental adjusted gross margin of \$10.7 million once fully in service in 2025

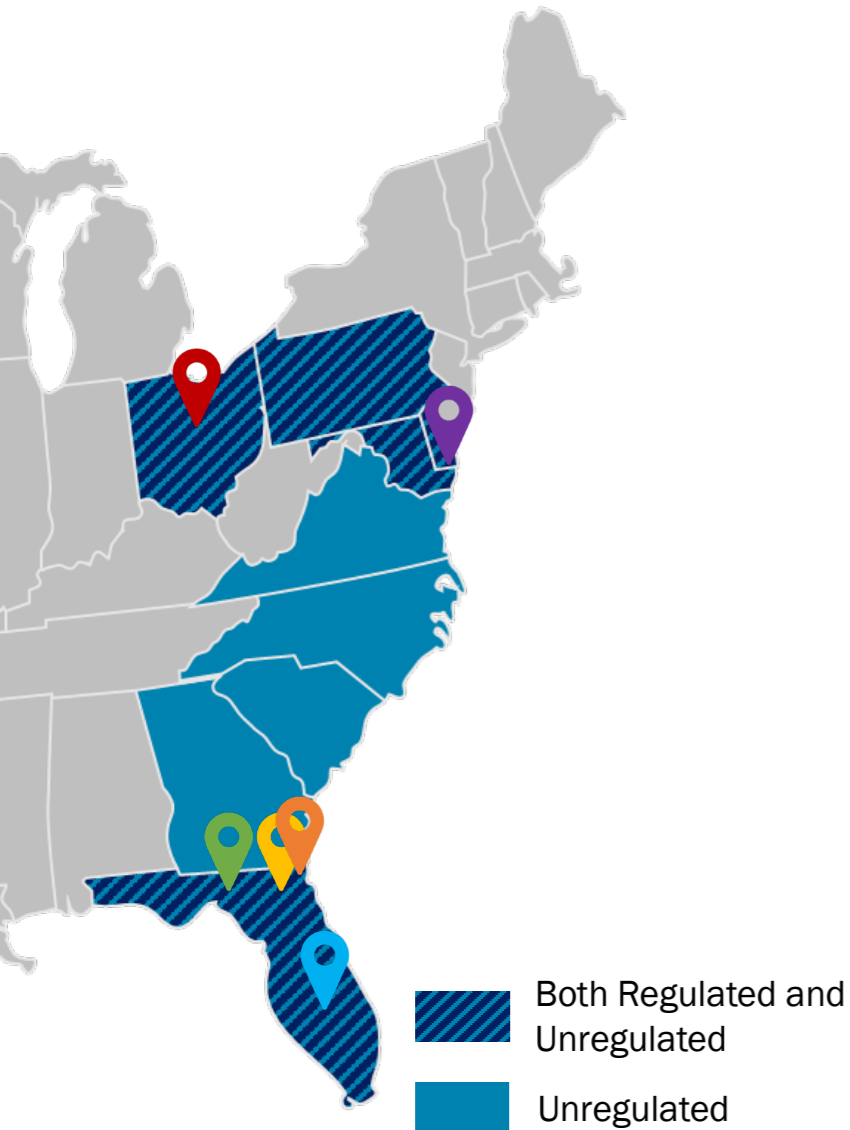
Beachside Pipeline Expansion



Peninsula Pipeline recently completed construction of the Beachside Pipeline Expansion project in Vero Beach, Florida

- 11-mile expansion that brings natural gas capacity to customers in the following communities:
 - Wabasso
 - Wabasso Beach
 - Indian River Shores
 - North Hutchinson Island
 - Harbor Isles
- Infrastructure investment of \$10.5 million
- Expected additional annual adjusted gross margin of \$1.8 million in 2023 and \$2.5 million in the years thereafter
- Construction began in Q2'22 and was completed on schedule and within the original budget

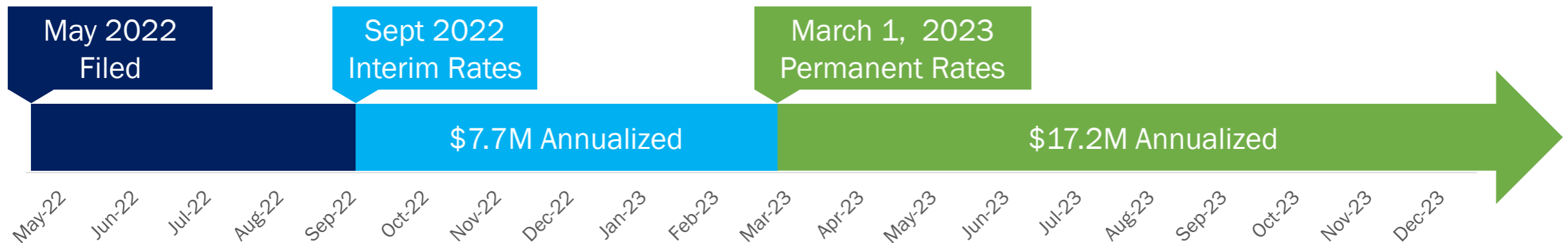
Sustainable Investments in Our Service Territories



- Noble Road Landfill RNG Pipeline**
 - 33-mile pipeline transporting RNG to Aspire Energy of Ohio's gathering system
- Planet Found Biogas Facility**
 - First poultry waste-to-energy project on the Delmarva Peninsula, currently generating electricity and capable of producing RNG
- Clean Energy Expansion – Under Construction**
 - 2.2-mile pipeline transporting natural gas to support Clean Energy Fuels' CNG fueling station
- Radio Road RNG Injection Point**
 - Recently injected RNG and can accept CNG and LNG
 - Our first gate system in Florida to allow alternative fuels to be injected into pipeline delivery system
- Full Circle Dairy RNG Processing Facility – Under Construction**
 - First full-scale RNG processing facility utilizing dairy cow waste as feedstock
 - Processing and delivering more than 100K Dts per year of RNG
- Hydrogen Testing at Eight Flags CHP**
 - Successful test of 4% hydrogen blend in early 2022
 - New turbine installed in December 2022, which can accommodate greater quantities of hydrogen
 - Testing with 10% and 20% blends scheduled for 2023

Regulatory Initiatives - Florida Natural Gas Base Rate Case

- Florida Public Utilities' natural gas base rate case was approved in February, with an effective date beginning on March 1, 2023
- The rate case included the following:
 - Consolidation of four natural gas distribution entities in Florida
 - Incremental revenue requirement of \$17.2 million
 - Allowed return on equity of 10.25%
 - Equity percentage of 55%
 - Depreciation study
- **Timing of Florida rate case:**



Regulatory Initiatives

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
 - Completing system reliability projects
- The petition is currently under review by the Florida Public Service Commission

Storm Protection Plan

- In 2020, the Florida PSC implemented rules that allow electric utilities to recover costs associated with the investments that protect a system in the event of a storm and prevent loss of service. Plan updates are required every 3 years.
- 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 \$1.7 million in 2023 and \$3.0 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.

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PROTECT

2022 Sustainability Report

Our 2022 Sustainability Report:



2022 Sustainability Report

REPORTED AS OF 12.31.22

- Details our sustainability strategy and renewable energy portfolio
- Reports emissions decrease of 16% as compared to 2019
- Broadens our disclosure on human capital management and diversity initiatives
- Outlines our new Companywide Giving Policy, which includes four focus areas: safety and health, community development, education and environmental stewardship
- Details our safety and Enterprise Risk Management (ERM) programs
- Enhances our disclosures by including a SASB midstream data table, a TCFD table and workforce diversity data that aligns with the EEO-1 report

Chesapeake Utilities' Company Culture

Employee Resource Groups

Top Workplaces in USA



ENCOURAGE
SUPPORT • UNITE



EQUAL • PARTS • OF
INCLUSIVE • CULTURES



SUPPORT • PROMOTE • ATTRACT
RETAIN • CONNECT



VETERANS • RESOURCE
GROUP



SEEKERS • & • SHARERS



WOMEN • IN • ENERGY



AWARENESS • EMPATHY
INCLUSION • ADVOCACY



HEARTFELT • OPEN
PRAYER • ENCOURAGED



PROTECT • CONSERVE
SUSTAIN



**CHESAPEAKE
UTILITIES
CORPORATION**

TRANSFORM

Business Transformation

People

- Safety, EDI, learning and skill development through new learning management system (LMS)/"Grove", new Gratitude employee recognition program, Gallup assisted employee engagement, wellness programs, strong ties to community engagement

Processes

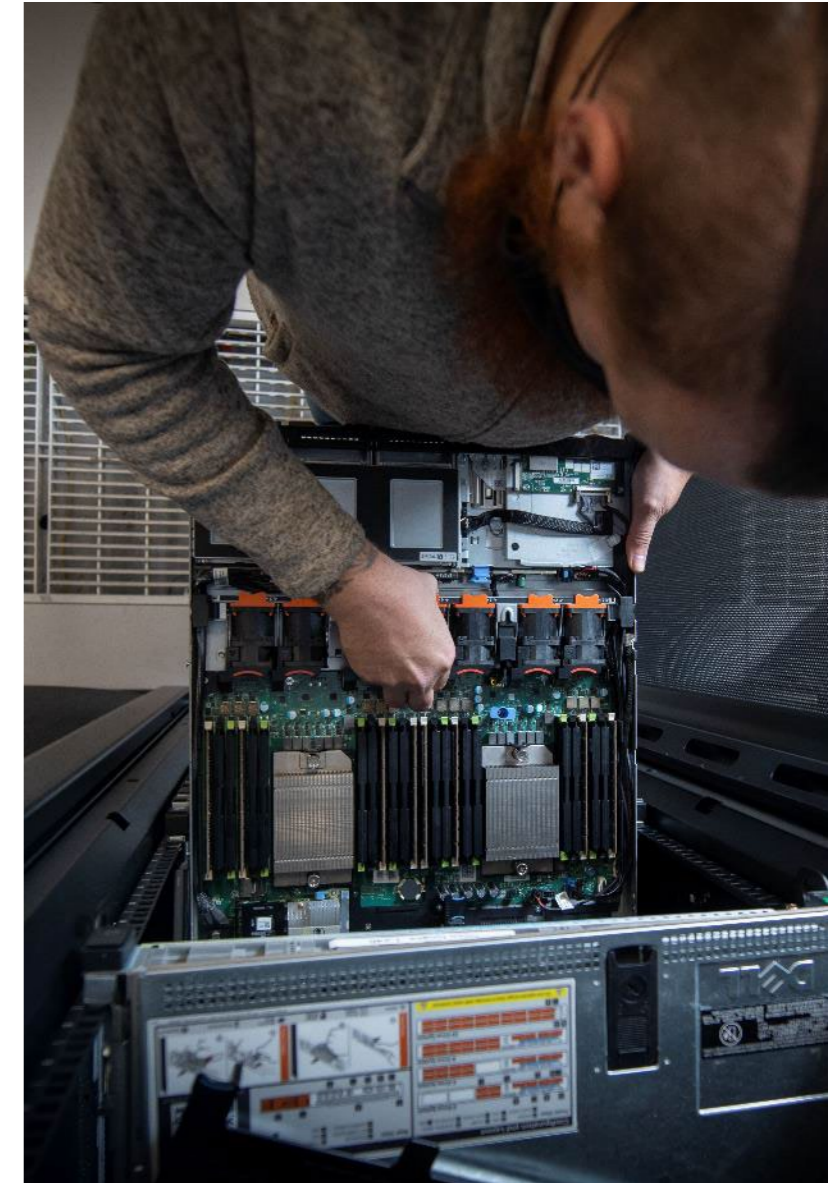
- Simplify, standardize, automate. Continuous improvement. Change management.
- Customer care re-focus.

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. CIS upgrade officially kicked off and underway.
- Safety Data Management, Project Management, continued utilization of robotics, and enhanced cybersecurity posture.

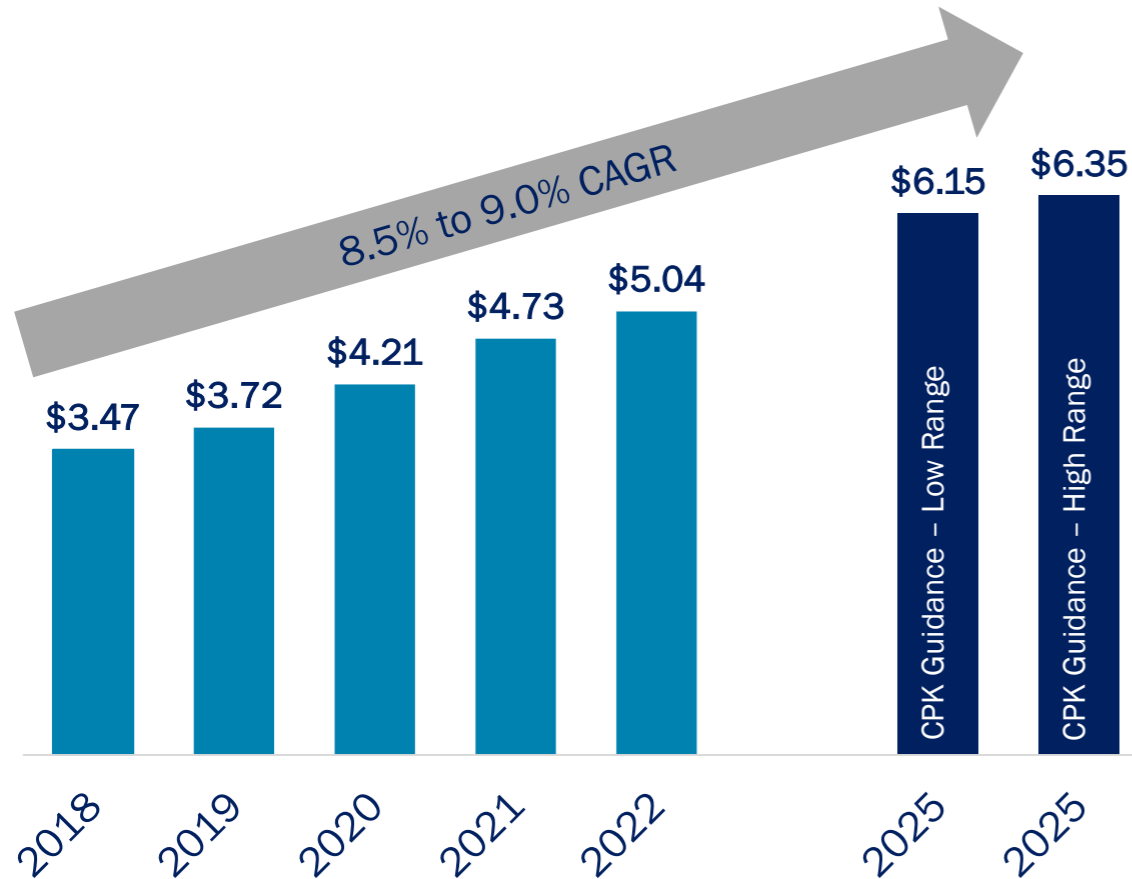
Organization

- "POD" management approach gaining momentum
- Cross unit pollination naturally occurring
- CIS implementation will create opportunities to further re-align the organization

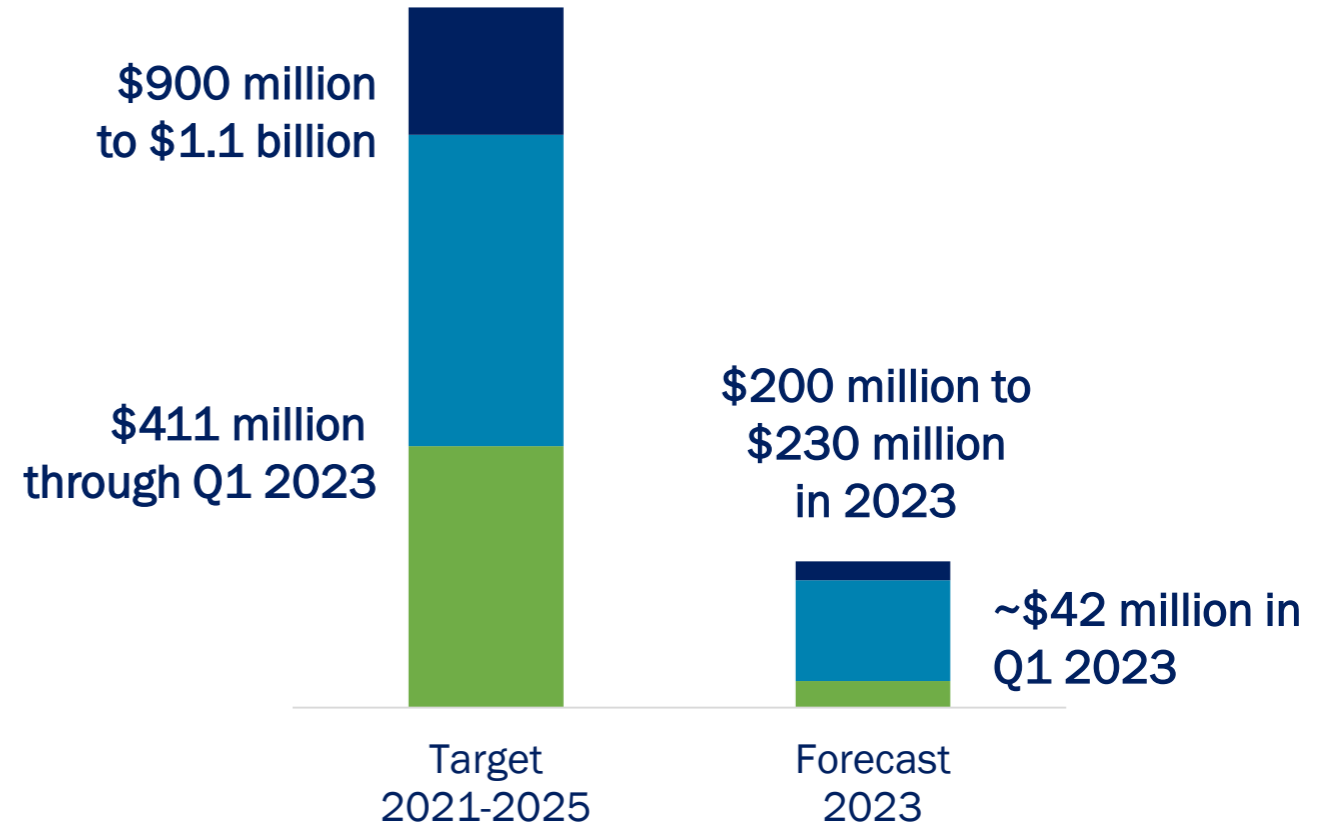


Guidance Update

Diluted Earnings Per Share from Continuing Operations Guidance through 2025



Capital Expenditures Guidance through 2025 and for 2023



Strategic capital investments continue to drive earnings growth

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:

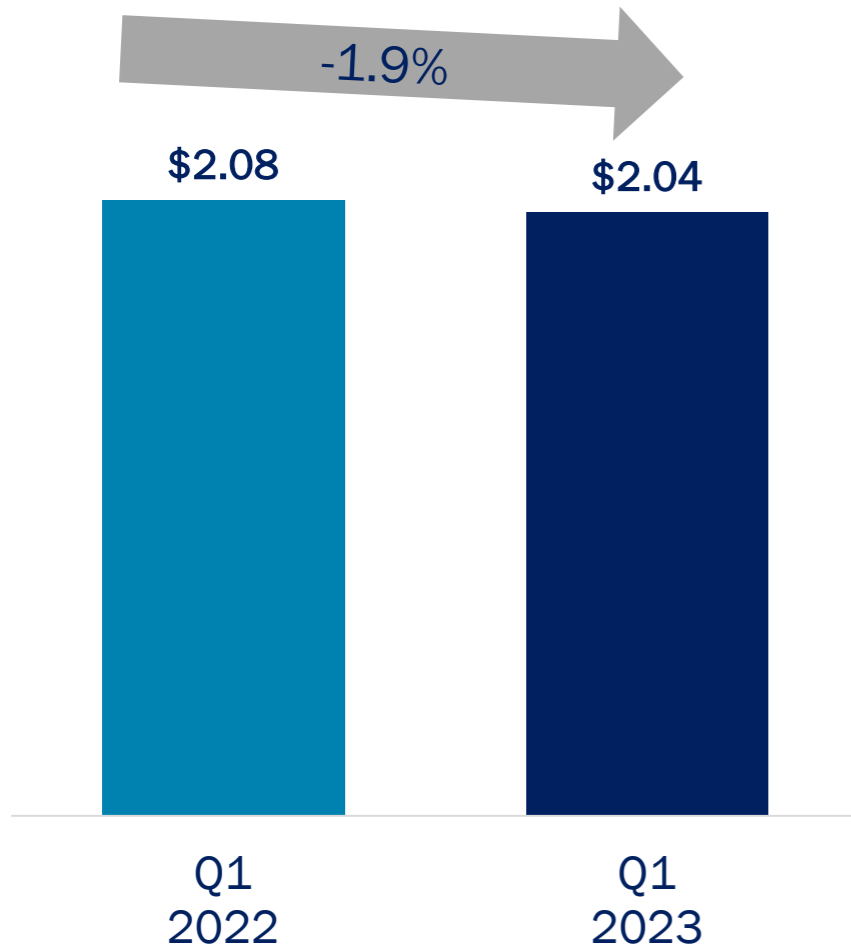
- ✓ Investing \$900 million to \$1.1 billion through 2025 with increasing renewable energy investments
- ✓ Targeting 2025 EPS \$6.15 to \$6.35
- ✓ Targeting 11.0% or higher consolidated ROE
- ✓ Pursuing dividend growth supported by earnings growth, with a ramp towards a dividend payout ratio of ~45%
- ✓ Maintaining a strong balance sheet

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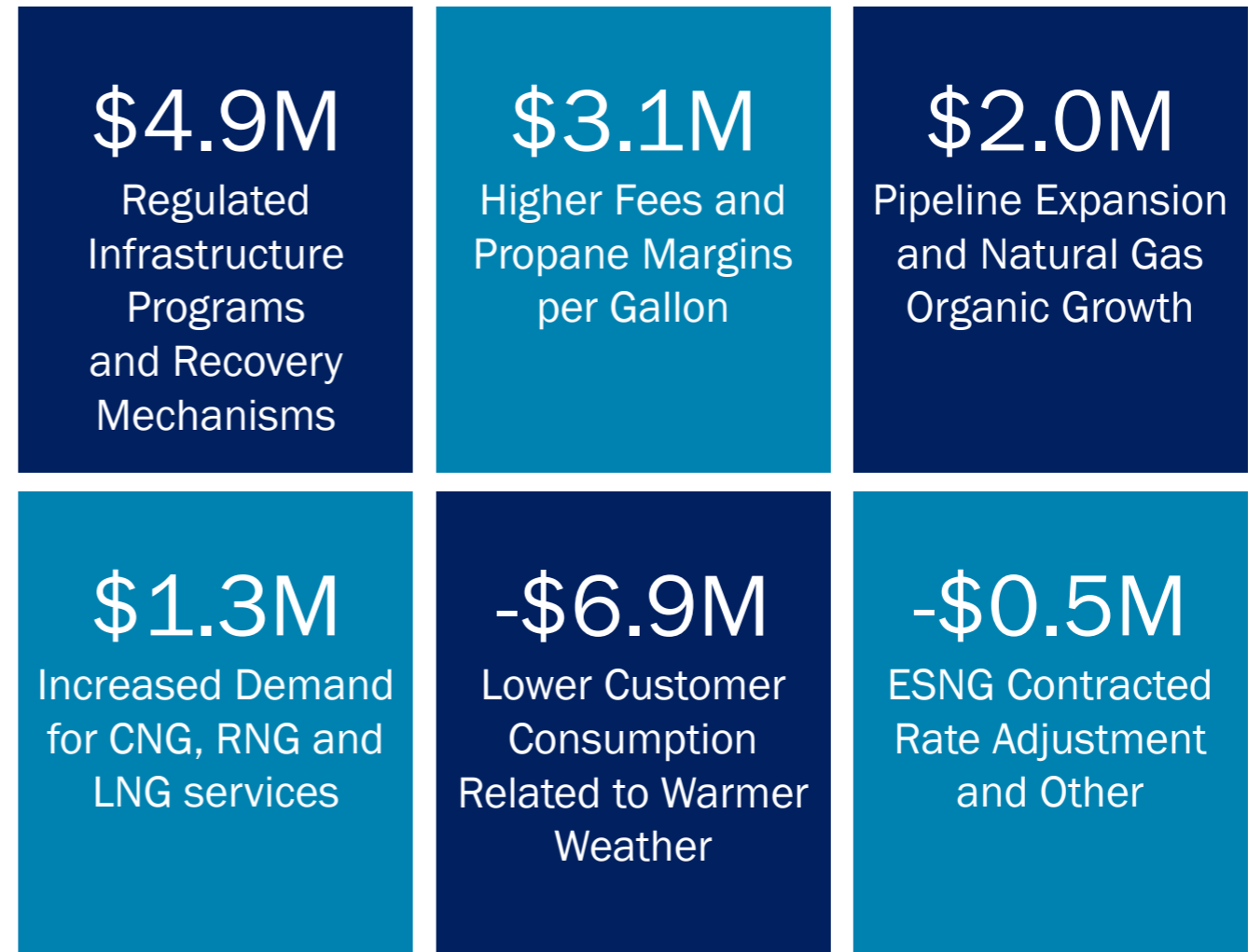
Appendix

First Quarter 2023 Financial Performance

Diluted Earnings Per Share



Key Adjusted Gross Margin Drivers



Weather During the First Quarter of 2023

Exceptionally Warm Weather Across All Service Areas

- Significantly warmer temperatures during the quarter impacted each of our service territories
- Delmarva and Ohio's decrease in heating degree days (HDD) had more of an impact on earnings given the heat load in our northern service areas
- CPK largely mitigated the impacts of weather through organic growth initiatives and cost management
- We will continue to take steps to offset the impacts of the first quarter's weather throughout the year

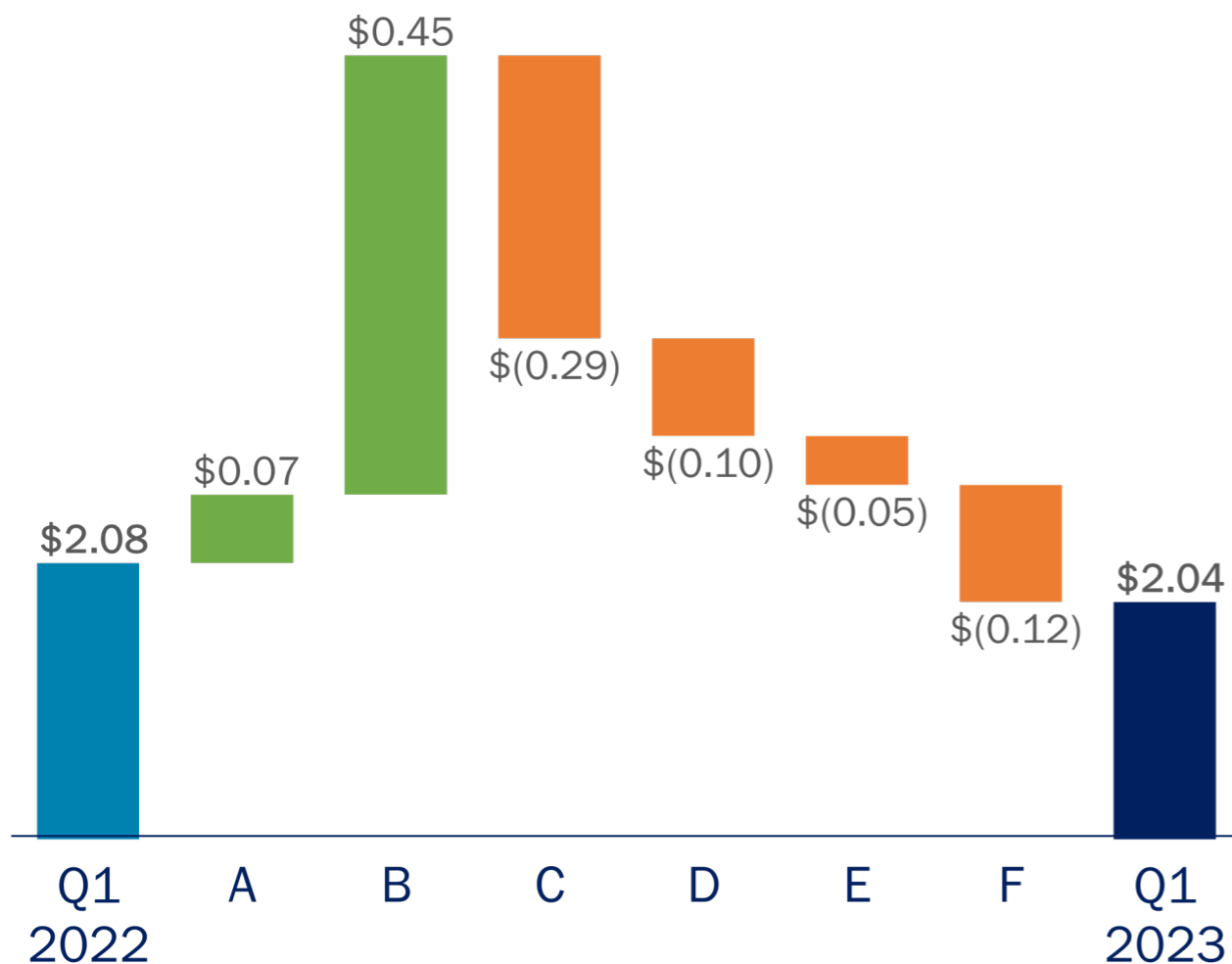
Delmarva		Three Months Ended March 31,		Variance Year-over-Year	
		2023	2022	#	%
Actual HDD		1,774	2,181	(407)	-19%
10-yr Avg HDD ("Normal")		2,285	2,255	30	
Variance from Normal		#	(511)	(74)	
		%	-22%		

Ohio		Three Months Ended March 31,		Variance Year-over-Year	
		2023	2022	#	%
Actual HDD		2,384	2,926	(542)	-19%
10-yr Avg HDD ("Normal")		2,965	2,912	53	
Variance from Normal		#	(581)	14	
		%	-20%		

Florida		Three Months Ended March 31,		Variance Year-over-Year	
		2023	2022	#	%
Actual HDD		344	497	(153)	-31%
10-yr Avg HDD ("Normal")		505	497	8	
Variance from Normal		#	(161)	(74)	
		%	-32%		

Key Drivers of Performance – Quarter Ended March 31, 2023

Diluted Earnings Per Share



Q1 2022 Diluted Earnings Per Share		\$2.08
A	Reduction in State Tax Rate	\$0.07
B	Core business growth (not impacted by weather)	\$0.45
C	Lower Customer Consumption Related to Warmer Weather	-\$0.29
D	Operating expenses	-\$0.10
E	Depreciation, amortization and property tax costs due to new capital investments	-\$0.05
F	Interest and other changes	-\$0.12
Q1 2023 Diluted Earnings Per Share		\$2.04

Regulated Energy Segment – Financial Summary

Solid growth, offsetting warmer weather

Regulated Energy Segment

(in thousands except per share data)

Adjusted Gross Margin¹

Dep., amort. & property taxes

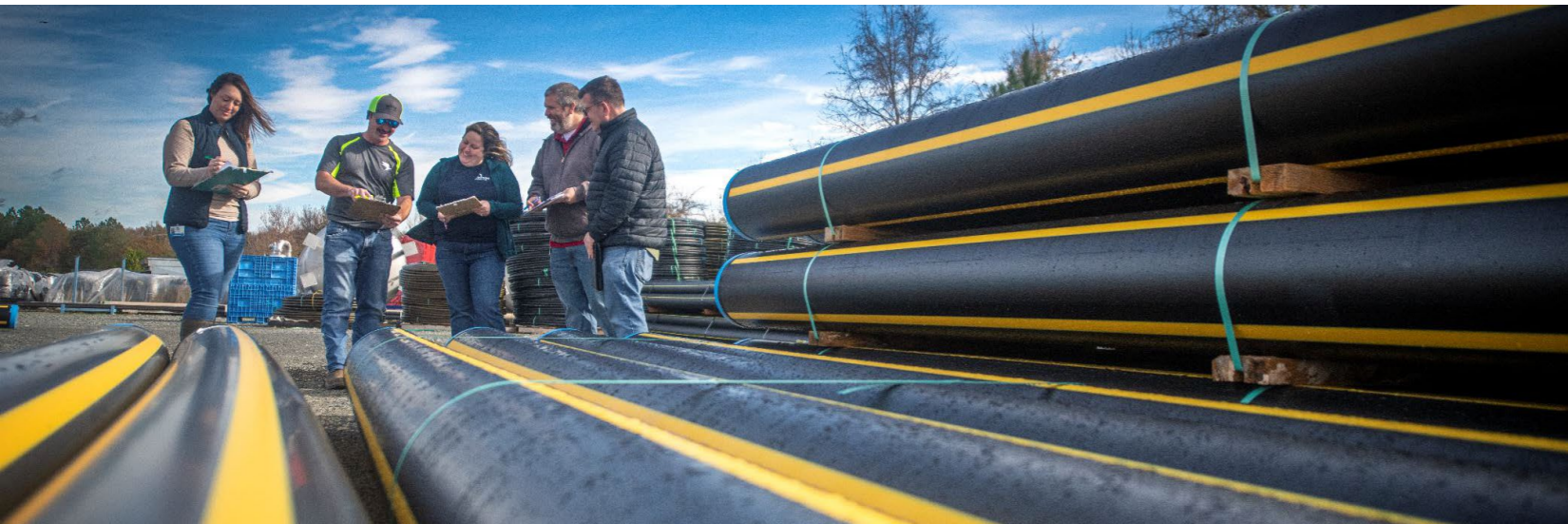
Other operating expenses

Operating income

	First Quarter		Change	
	2023	2022	\$	%
Adjusted Gross Margin¹	\$ 86,982	\$ 82,449	\$ 4,533	5.5%
Dep., amort. & property taxes	18,670	18,251	419	2.3%
Other operating expenses	30,687	29,517	1,170	4.0%
Operating income	\$ 37,625	\$ 34,681	\$ 2,944	8.5%

Year-to-Date Highlights

- Operating income up **8.5%** driven by:
 - Permanent rates associated with Florida natural gas base rate proceeding
 - Organic growth in natural gas distribution operations, including propane CGS conversions
 - Incremental contributions from regulated infrastructure programs
 - Pipeline expansions by Eastern Shore Natural Gas, Florida Natural Gas, Peninsula Pipeline and Aspire Energy Express



Unregulated Energy Segment – Financial Summary

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

Unregulated Energy Segment

(in thousands except per share data)

Adjusted Gross Margin¹

Dep., amort. & property taxes

Other operating expenses

Operating income

First Quarter		Change	
2023	2022	\$	%
\$ 42,594	\$ 43,284	\$ (690)	-1.6%
4,822	4,296	526	12.2%
20,527	18,942	1,585	8.4%
\$ 17,245	\$ 20,046	\$ (2,801)	-14.0%

Year-to-Date Highlights

- Operating income down **14.0%** driven by:
 - 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
 - Increased demand for CNG/RNG/LNG services



First Quarter 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

First Quarter		Change	
2023	2022	\$	%
<u>\$ 129,540</u>	<u>\$ 125,700</u>	<u>\$ 3,840</u>	<u>3.1%</u>
54,915	54,865	50	0.1%
276	913	(637)	-69.8%
7,232	5,339	1,893	35.5%
47,959	50,439	(2,480)	-4.9%
11,615	13,506	(1,891)	-14.0%
<u>\$ 36,344</u>	<u>\$ 36,933</u>	<u>\$ (589)</u>	<u>-1.6%</u>
<u>\$ 2.04</u>	<u>\$ 2.08</u>	<u>\$ (0.04)</u>	<u>-1.9%</u>

Despite weather that impacted adjusted gross margin negatively by \$6.9 million:

- Operating income increased by \$50k
- Net income decreased by just \$589k

GAAP to Non-GAAP Reconciliation – Consolidated Results

Consolidated Results

(in thousands except per share data)

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)

	First Quarter		Change	
	2023	2022	\$	%
Operating Revenues	\$ 218,129	\$ 222,880	\$ (4,751)	-2.1%
Cost of Sales:				
Natural gas, propane and electric costs	(88,589)	(97,180)	8,591	-8.8%
Depreciation & amortization	(17,183)	(16,977)	(206)	1.2%
Operations & maintenance expense ¹	<u>(17,758)</u>	<u>(15,640)</u>	<u>(2,118)</u>	13.5%
Gross Margin (GAAP)	<u>94,599</u>	93,083	<u>1,516</u>	1.6%
Operations & maintenance expense ¹	17,758	15,640	2,118	13.5%
Depreciation & amortization	17,183	16,977	206	1.2%
Adjusted Gross Margin (non-GAAP)	<u>\$ 129,540</u>	<u>\$ 125,700</u>	<u>\$ 3,840</u>	3.1%

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

Regulated Energy Segment

(in thousands except per share data)

Operating Revenues

Cost of Sales:

Natural gas and electric costs

Depreciation & amortization

Operations & maintenance expense¹

Gross Margin (GAAP)

Operations & maintenance expense¹

Depreciation & amortization

Adjusted Gross Margin

(non-GAAP)

	First Quarter		Change	
	2023	2022	\$	%
Operating Revenues	\$ 142,270	\$ 127,891	\$ 14,379	11.2%
Cost of Sales:				
Natural gas and electric costs	(55,288)	(45,442)	(9,846)	21.7%
Depreciation & amortization	(12,952)	(13,086)	134	-1.0%
Operations & maintenance expense ¹	<u>(9,287)</u>	<u>(8,176)</u>	<u>(1,111)</u>	13.6%
Gross Margin (GAAP)	<u>64,743</u>	<u>61,187</u>	<u>3,556</u>	5.8%
Operations & maintenance expense ¹	9,287	8,176	1,111	13.6%
Depreciation & amortization	12,952	13,086	(134)	-1.0%
Adjusted Gross Margin	<u>\$ 86,982</u>	<u>\$ 82,449</u>	<u>\$ 4,533</u>	5.5%

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GAAP to Non-GAAP Reconciliation – Unregulated Energy Segment

Unregulated Energy Segment

(in thousands except per share data)

Operating Revenues

Cost of Sales:

Natural gas and propane costs

Depreciation & amortization

Operations & maintenance expense¹

Gross Margin (GAAP)

Operations & maintenance expense¹

Depreciation & amortization

Adjusted Gross Margin

(non-GAAP)

	First Quarter		Change	
	2023	2022	\$	%
Operating Revenues	\$ 83,165	\$ 101,292	\$ (18,127)	-17.9%
Cost of Sales:				
Natural gas and propane costs	(40,571)	(58,008)	17,437	-30.1%
Depreciation & amortization	(4,234)	(3,881)	(353)	9.1%
Operations & maintenance expense ¹	<u>(8,476)</u>	<u>(7,063)</u>	<u>(1,413)</u>	20.0%
Gross Margin (GAAP)	<u>29,884</u>	<u>32,340</u>	<u>(2,456)</u>	-7.6%
Operations & maintenance expense ¹	8,476	7,063	1,413	20.0%
Depreciation & amortization	4,234	3,881	353	9.1%
Adjusted Gross Margin (non-GAAP)	<u>\$ 42,594</u>	<u>\$ 43,284</u>	<u>\$ (690)</u>	-1.6%

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Quarterly Earnings Cadence

Year	Q1 EPS	Q2 EPS	Q3 EPS	Q4 EPS	FY EPS
2023	\$2.04				
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%	