

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 8, 2024

CHESAPEAKE UTILITIES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-11590
(Commission
File Number)

51-0064146
(I.R.S. Employer
Identification No.)

500 Energy Lane, Dover, DE 19901
(Address of principal executive offices, including Zip Code)

(302) 734-6799
(Registrant's Telephone Number, including Area Code)

(Former name, former address and former fiscal year, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock - par value per share \$0.4867

Trading Symbol(s)
CPK

Name of each exchange on which registered
New York Stock Exchange, Inc.

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
-

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 8, 2024, Chesapeake Utilities Corporation issued a press release announcing its financial results for the quarter and six months ended June 30, 2024. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

On August 8, 2024, Chesapeake Utilities Corporation posted a presentation that will be used during its conference call on August 9, 2024, to discuss the Company's financial results for the quarter and six months ended June 30, 2024, on its website (www.chpk.com) under the "Investors" section. This presentation is being furnished as Exhibit 99.2 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

[Exhibit 99.1](#) - Press Release of Chesapeake Utilities Corporation, dated August 8, 2024.

[Exhibit 99.2](#) - Second Quarter 2024 Earnings Call Presentation

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

CHESAPEAKE UTILITIES CORPORATION

/s/ Beth W. Cooper

Beth W. Cooper
Executive Vice President, Chief Financial Officer, Treasurer, and Assistant
Corporate Secretary

Date: August 8, 2024



FOR IMMEDIATE RELEASE
August 8, 2024
NYSE Symbol: CPK

CHESAPEAKE UTILITIES CORPORATION REPORTS SECOND QUARTER
2024 RESULTS

- Net income and earnings per share ("EPS")* were \$18.3 million and \$0.82, respectively, for the second quarter of 2024, and \$64.4 million and \$2.89, respectively, for the six months ended June 30, 2024
- Adjusted net income and Adjusted EPS**, which exclude transaction and transition-related expenses attributable to the acquisition and integration of Florida City Gas ("FCG"), were \$19.3 million and \$0.86, respectively, for the second quarter of 2024 and \$66.1 million and \$2.96, respectively, for the six months ended June 30, 2024
- Adjusted gross margin** growth of \$61.8 million during the first half of 2024 driven by contributions from FCG, natural gas organic growth and continued pipeline expansion projects, regulatory initiatives and additional customer consumption
- Multiple pipeline projects received approval to proceed, supporting continued natural gas demand in Delaware and Florida and driving incremental margins for 2025 and beyond
- Results continue to track in line with Management's expectations, and the Company continues to affirm 2024 EPS and capital guidance

Dover, Delaware — Chesapeake Utilities Corporation (NYSE: CPK) ("Chesapeake Utilities" or the "Company") today announced financial results for the three and six months ended June 30, 2024.

Net income for the second quarter of 2024 was \$18.3 million (\$0.82 per share) compared to \$16.1 million (\$0.90 per share) in the second quarter of 2023. Excluding transaction and transition-related expenses associated with the fourth quarter 2023 acquisition of FCG, adjusted net income was \$19.3 million, or \$0.86 per share compared to \$16.1 million (\$0.90 per share) reported in the prior-year period. The net income and adjusted net income growth represented 13.3 percent and 19.5 percent, respectively.

For the second quarter of 2024, incremental contributions from FCG, additional margin from regulated infrastructure programs, and growth in the Company's natural gas distribution businesses and continued pipeline expansion projects to support distribution growth were offset by the financing impacts of the FCG acquisition, including increased interest expense related to debt issued and additional shares outstanding.

During the first half of 2024, net income was \$64.4 million (\$2.89 per share) compared to \$52.5 million (\$2.94 per share) in the prior-year period. Excluding the transaction and transition-related expenses, adjusted net income was \$66.1 million (\$2.96 per share) compared to \$52.5 million (\$2.94 per share) for the same period in 2023.

Earnings for the first half of 2024 were primarily impacted by the factors discussed for the second quarter as well as additional adjusted gross margin from increased customer consumption experienced earlier in the year.

"Our results this quarter demonstrate the opportunities in our high-growth service areas, the value of our unregulated businesses and our commitment to operational excellence," said Jeff Householder, chair,

--more--

president and CEO. "We continue to remain on-track with the integration of FCG, experienced continued strong customer growth of approximately 4 percent across our Delmarva and Florida footprints and managed expenses prudently, driving 41 percent of adjusted gross margin to operating income on a year-to-date basis."

"This performance is in line with our expectations for 2024 and is driven by our ability to execute on our growth strategy: developing and investing record levels of capital, advancing our regulatory agenda and continuing our business transformation efforts," Householder continued. "Through the second quarter of this year, we invested \$160 million in capital expenditures, received regulatory approval for three (3) new transportation projects, and are going live with a new enterprise-wide utility billing system in the third quarter. Our achievements thus far enable us to affirm our full-year 2024 adjusted EPS guidance of \$5.33 to \$5.45 per share and 2024 capital expenditures guidance of \$300 to \$360 million. The team's consistent focus on customer service and our growth strategy positions us for continued longer-term growth as well."

Earnings and Capital Investment Guidance

The Company continues to affirm its 2024 EPS guidance of \$5.33 to \$5.45 in adjusted earnings per share given the incremental margin opportunities present across the Company's businesses, investment opportunities within and surrounding FCG, regulatory initiatives and operating synergies.

The Company also affirms its previously announced 2024 capital expenditure guidance of \$300 million to \$360 million, as well as the capital expenditure guidance for the five-year period ended 2028 that will range from \$1.5 billion to \$1.8 billion. This investment forecast is projected to result in a 2025 EPS guidance range of \$6.15 to \$6.35, as well as a 2028 EPS guidance range of \$7.75 to \$8.00. This implies an EPS growth rate of approximately 8 percent from the 2025 EPS guidance range.

**Unless otherwise noted, EPS and Adjusted EPS information are presented on a diluted basis.*

Non-GAAP Financial Measures

***This press release including the tables herein, include references to both Generally Accepted Accounting Principles ("GAAP") and non-GAAP financial measures, including Adjusted Gross Margin, Adjusted Net Income and Adjusted EPS. 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.*

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. The Company calculates Adjusted Net Income and Adjusted EPS by deducting costs and expenses associated with significant acquisitions that may affect the comparison of period-over-period results. These non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. The Company believes that these non-GAAP measures are useful and meaningful to investors as a basis for making investment decisions, and provide investors with information that demonstrates the profitability achieved by the Company under allowed rates for regulated energy operations and under the Company's competitive pricing structures for unregulated energy operations. The Company's management uses these non-GAAP financial measures in assessing a business unit and Company performance. Other companies may calculate these non-GAAP financial measures in a different manner.

--more--

The following tables reconcile Gross Margin, Net Income, and EPS, all as defined under GAAP, to our non-GAAP measures of Adjusted Gross Margin, Adjusted Net Income and Adjusted EPS for each of the periods presented.

Adjusted Gross Margin

(in thousands)	For the Three Months Ended June 30, 2024			
	Regulated Energy	Unregulated Energy	Other and Eliminations	Total
Operating Revenues	\$ 130,625	\$ 41,419	\$ (5,772)	\$ 166,272
Cost of Sales:				
Natural gas, propane and electric costs	(27,378)	(18,006)	5,744	(39,640)
Depreciation & amortization	(14,657)	(3,223)	3	(17,877)
Operations & maintenance expenses ⁽¹⁾	(12,255)	(7,893)	3	(20,145)
Gross Margin (GAAP)	<u>76,335</u>	<u>12,297</u>	<u>(2)</u>	<u>88,610</u>
Operations & maintenance expenses ⁽¹⁾	12,255	7,893	(3)	20,145
Depreciation & amortization	14,657	3,223	(3)	17,877
Adjusted Gross Margin (Non-GAAP)	<u>\$ 103,247</u>	<u>\$ 23,413</u>	<u>\$ (28)</u>	<u>\$ 126,632</u>

(in thousands)	For the Three Months Ended June 30, 2023			
	Regulated Energy	Unregulated Energy	Other and Eliminations	Total
Operating Revenues	\$ 101,141	\$ 40,751	\$ (6,299)	\$ 135,593
Cost of Sales:				
Natural gas, propane and electric costs	(23,886)	(18,116)	6,209	(35,793)
Depreciation & amortization	(13,035)	(4,269)	1	(17,303)
Operations & maintenance expenses ⁽¹⁾	(9,240)	(7,520)	(2)	(16,762)
Gross Margin (GAAP)	<u>54,980</u>	<u>10,846</u>	<u>(91)</u>	<u>65,735</u>
Operations & maintenance expenses ⁽¹⁾	9,240	7,520	2	16,762
Depreciation & amortization	13,035	4,269	(1)	17,303
Adjusted Gross Margin (Non-GAAP)	<u>\$ 77,255</u>	<u>\$ 22,635</u>	<u>\$ (90)</u>	<u>\$ 99,800</u>

--more--

For the Six Months Ended June 30, 2024

<i>(in thousands)</i>	Regulated Energy	Unregulated Energy	Other and Eliminations	Total
Operating Revenues	\$ 299,051	\$ 124,522	\$ (11,557)	\$ 412,016
Cost of Sales:				
Natural gas, propane and electric costs	(77,296)	(55,060)	11,499	(120,857)
Depreciation & amortization	(27,194)	(7,704)	5	(34,893)
Operations & maintenance expenses ⁽¹⁾	(24,991)	(16,315)	1	(41,305)
Gross Margin (GAAP)	169,570	45,443	(52)	214,961
Operations & maintenance expenses ⁽¹⁾	24,991	16,315	(1)	41,305
Depreciation & amortization	27,194	7,704	(5)	34,893
Adjusted Gross Margin (Non-GAAP)	\$ 221,755	\$ 69,462	\$ (58)	\$ 291,159

For the Six Months Ended June 30, 2023

<i>(in thousands)</i>	Regulated Energy	Unregulated Energy	Other and Eliminations	Total
Operating Revenues	\$ 243,411	\$ 123,916	\$ (13,605)	\$ 353,722
Cost of Sales:				
Natural gas, propane and electric costs	(79,174)	(58,687)	13,479	(124,382)
Depreciation & amortization	(25,987)	(8,503)	4	(34,486)
Operations & maintenance expenses ⁽¹⁾	(18,527)	(15,996)	3	(34,520)
Gross Margin (GAAP)	119,723	40,730	(119)	160,334
Operations & maintenance expenses ⁽¹⁾	18,527	15,996	(3)	34,520
Depreciation & amortization	25,987	8,503	(4)	34,486
Adjusted Gross Margin (Non-GAAP)	\$ 164,237	\$ 65,229	\$ (126)	\$ 229,340

⁽¹⁾ Operations & maintenance expenses within the condensed 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.

--more--

Adjusted Net Income and Adjusted EPS

	Three Months Ended	
	June 30,	
	2024	2023
<i>(in thousands, except per share data)</i>		
Net Income (GAAP)	\$ 18,271	\$ 16,133
FCG transaction and transition-related expenses, net ⁽¹⁾	1,006	—
Adjusted Net Income (Non-GAAP)	\$ 19,277	\$ 16,133
Weighted average common shares outstanding - diluted ⁽²⁾	22,335	17,852
Earnings Per Share - Diluted (GAAP)	\$ 0.82	\$ 0.90
FCG transaction and transition-related expenses, net ⁽¹⁾	0.04	—
Adjusted Earnings Per Share - Diluted (Non-GAAP)	\$ 0.86	\$ 0.90

	Six Months Ended	
	June 30,	
	2024	2023
<i>(in thousands, except per share data)</i>		
Net Income (GAAP)	\$ 64,439	\$ 52,477
FCG transaction and transition-related expenses, net ⁽¹⁾	1,683	—
Adjusted Net Income (Non-GAAP)	\$ 66,122	\$ 52,477
Weighted average common shares outstanding - diluted ⁽²⁾	22,320	17,842
Earnings Per Share - Diluted (GAAP)	\$ 2.89	\$ 2.94
FCG transaction and transition-related expenses, net ⁽¹⁾	0.07	—
Adjusted Earnings Per Share - Diluted (Non-GAAP)	\$ 2.96	\$ 2.94

⁽¹⁾ Transaction and transition-related expenses represent costs incurred attributable to the acquisition and integration of FCG including, but not limited to, transaction costs, transition services, consulting, system integration, rebranding and legal fees.

⁽²⁾ Weighted average shares for the three and six months ended June 30, 2024 reflect the impact of 4.4 million common shares issued in November 2023 in connection with the acquisition of FCG.

--more--

Operating Results for the Quarters Ended June 30, 2024 and 2023

Consolidated Results

(in thousands)	Three Months Ended June 30,		Change	Percent Change
	2024	2023		
Adjusted gross margin**	\$ 126,632	\$ 99,800	\$ 26,832	26.9 %
Depreciation, amortization and property taxes	26,703	23,628	3,075	13.0 %
FCG transaction and transition-related expenses	1,374	—	1,374	NMF
Other operating expenses	57,765	47,826	9,939	20.8 %
Operating income	\$ 40,790	\$ 28,346	\$ 12,444	43.9 %

Operating income for the second quarter of 2024 was \$40.8 million, an increase of \$12.4 million or 43.9 percent compared to the same period in 2023. Excluding transaction and transition-related expenses associated with the acquisition and integration of FCG, operating income increased \$13.8 million or 48.7 percent compared to the prior-year period. An increase in adjusted gross margin in the second quarter of 2024 was driven by contributions from the acquisition of FCG, incremental margin from regulatory initiatives, natural gas organic growth and continued pipeline expansion projects and improvements from the Company's unregulated businesses. Higher operating expenses were driven largely by the operating expenses of FCG, increased payroll, benefits and other employee-related expenses, and higher insurance and vehicle expenses compared to the prior-year period. Increases in depreciation, amortization and property taxes attributable to growth projects and FCG were partially offset by a \$2.3 million reserve surplus amortization mechanism ("RSAM") adjustment from FCG and lower depreciation from our electric operations due to revised rates from an approved electric depreciation study.

Regulated Energy Segment

(in thousands)	Three Months Ended June 30,		Change	Percent Change
	2024	2023		
Adjusted gross margin**	\$ 103,247	\$ 77,255	\$ 25,992	33.6 %
Depreciation, amortization and property taxes	22,863	18,854	4,009	21.3 %
FCG transaction and transition-related expenses	1,374	—	1,374	NMF
Other operating expenses	38,505	29,110	9,395	32.3 %
Operating income	\$ 40,505	\$ 29,291	\$ 11,214	38.3 %

--more--

The key components of the increase in adjusted gross margin** are shown below:

(in thousands)

Contribution from FCG	\$	23,367
Margin from regulated infrastructure programs		1,340
Natural gas growth including conversions (excluding service expansions)		1,253
Natural gas transmission service expansions, including interim services		563
Other variances		(531)
Quarter-over-quarter increase in adjusted gross margin**	\$	25,992

⁽¹⁾ Includes adjusted gross margin contributions from permanent base rates that became effective in March 2023.

The major components of the increase in other operating expenses are as follows:

(in thousands)

FCG operating expenses	\$	8,597
Payroll, benefits and other employee-related expenses		679
Other variances		119
Quarter-over-quarter increase in other operating expenses	\$	9,395

Unregulated Energy Segment

(in thousands)

	Three Months Ended June 30,		Change	Percent Change
	2024	2023		
Adjusted gross margin**	\$ 23,413	\$ 22,635	\$ 778	3.4 %
Depreciation, amortization and property taxes	3,843	4,777	(934)	(19.6)%
Other operating expenses	19,332	18,851	481	2.6 %
Operating income (loss)	\$ 238	\$ (993)	\$ 1,231	NMF

--more--

The major components of the change in adjusted gross margin** are shown below:

(in thousands)

<u>Propane Operations</u>	
Contributions from acquisition	\$ 160
Increased propane customer consumption	117
<u>CNG/RNG/LNG Transportation and Infrastructure</u>	
Increased level of virtual pipeline services	587
<u>Aspire Energy</u>	
Increased margins - rate changes and gathering fees	251
Other variances	(337)
Quarter-over-quarter increase in adjusted gross margin**	\$ 778

The major components of the increase in other operating expenses are as follows:

(in thousands)

Increased insurance related costs	\$ 283
Increased vehicle expenses	246
Other variances	(48)
Quarter-over-quarter increase in other operating expenses	\$ 481

Operating Results for the Six Months Ended June 30, 2024 and 2023

Consolidated Results

(in thousands)	Six Months Ended June 30,		Change	Percent Change
	2024	2023		
Adjusted gross margin**	\$ 291,159	\$ 229,340	\$ 61,819	27.0 %
Depreciation, amortization and property taxes	52,813	47,118	5,695	12.1 %
FCG transaction and transition-related expenses	2,295	—	2,295	NMF
Other operating expenses	115,676	98,961	16,715	16.9 %
Operating income	\$ 120,375	\$ 83,261	\$ 37,114	44.6 %

Operating income for the first half of 2024 was \$120.4 million, an increase of \$37.1 million compared to the same period in 2023. Excluding transaction and transition-related expenses associated with the acquisition and integration of FCG, operating income increased \$39.4 million or 47.3 percent compared to the prior-year period. An increase in adjusted gross margin in the first half of 2024 was driven by contributions from the acquisition of FCG, natural gas organic growth and continued pipeline expansion projects, incremental margin from regulatory initiatives, higher customer consumption and contributions from the Company's unregulated businesses. Higher operating expenses largely associated with FCG were partially offset by lower payroll, benefits and other employee-related expenses compared to the prior-year period. Increases in depreciation, amortization and property taxes attributable to growth projects and FCG were partially offset by a \$5.7 million RSAM adjustment from FCG and lower depreciation from our electric operations due to revised rates from an approved electric depreciation study.

--more--

Regulated Energy Segment

<i>(in thousands)</i>	Six Months Ended June 30,		Change	Percent Change
	2024	2023		
Adjusted gross margin**	\$ 221,755	\$ 164,237	\$ 57,518	35.0 %
Depreciation, amortization and property taxes	43,818	37,524	6,294	16.8 %
FCG transaction and transition-related expenses	2,295	—	2,295	NMF
Other operating expenses	77,028	59,797	17,231	28.8 %
Operating income	\$ 98,614	\$ 66,916	\$ 31,698	47.4 %

The key components of the increase in adjusted gross margin** are shown below:

<i>(in thousands)</i>		
Contribution from FCG	\$	48,326
Natural gas growth including conversions (excluding service expansions)		3,169
Margin from regulated infrastructure programs		2,618
Natural gas transmission service expansions, including interim services		2,154
Rate changes associated with the Florida natural gas base rate proceeding ⁽¹⁾		1,630
Other variances		(379)
Period-over-period increase in adjusted gross margin**	\$	57,518

⁽¹⁾ Includes adjusted gross margin contributions from permanent base rates that became effective in March 2023.

The major components of the increase in other operating expenses are as follows:

<i>(in thousands)</i>		
FCG operating expenses	\$	17,887
Payroll, benefits and other employee-related expenses		(1,109)
Other variances		453
Period-over-period increase in other operating expenses	\$	17,231

Unregulated Energy Segment

<i>(in thousands)</i>	Six Months Ended June 30,		Change	Percent Change
	2024	2023		
Adjusted gross margin**	\$ 69,462	\$ 65,229	\$ 4,233	6.5 %
Depreciation, amortization and property taxes	8,998	9,598	(600)	(6.3)%
Other operating expenses	38,797	39,379	(582)	(1.5)%
Operating income	\$ 21,667	\$ 16,252	\$ 5,415	33.3 %

--more--

The major components of the change in adjusted gross margin** are shown below:

(in thousands)

<u>Propane Operations</u>		
Increased propane customer consumption	\$	1,505
Contributions from acquisition		598
Increased propane margins and service fees		463
<u>CNG/RNG/LNG Transportation and Infrastructure</u>		
Increased level of virtual pipeline services		487
<u>Aspire Energy</u>		
Increased margins - rate changes and gathering fees		1,189
Other variances		(9)
Period-over-period increase in adjusted gross margin**	\$	4,233

The major components of the decrease in other operating expenses are as follows:

(in thousands)

Decreased payroll, benefits and other employee-related expenses	\$	(1,083)
Increased insurance related costs		655
Increased vehicle expenses		386
Other variances		(540)
Period-over-period decrease in other operating expenses	\$	(582)

Forward-Looking Statements

Matters included in this release may include forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those in the forward-looking statements. Please refer to the Safe Harbor for Forward-Looking Statements in the Company's 2023 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the second quarter of 2024 for further information on the risks and uncertainties related to the Company's forward-looking statements.

Conference Call

Chesapeake Utilities (NYSE: CPK) will host a conference call on Friday, August 9, 2024 at 8:30 a.m. Eastern Time to discuss the Company's financial results for the three and six months ended June 30, 2024. To listen to the Company's conference call via [live webcast](#), please visit the Events & Presentations section of the Investors page on www.chpk.com. For investors and analysts that wish to participate by phone for the question and answer portion of the call, please use the following dial-in information:

Toll-free: 800.445-7795
 International: 203.518.9856
 Conference ID: CPKQ224

A replay of the presentation will be made available on the previously noted website following the conclusion of the call.

About Chesapeake Utilities Corporation

Chesapeake Utilities Corporation is a diversified energy delivery company, listed on the New York Stock Exchange. Chesapeake Utilities Corporation offers sustainable energy solutions through its natural gas

--more--

11-11-11-11

transmission and distribution, electricity generation and distribution, propane gas distribution, mobile compressed natural gas utility services and solutions, and other businesses.

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

For more information, contact:

Beth W. Cooper
Executive Vice President, Chief Financial Officer, Treasurer and Assistant Corporate Secretary
302.734.6022

Michael D. Galtman
Senior Vice President and Chief Accounting Officer
302.217.7036

Lucia M. Dempsey
Head of Investor Relations
347.804.9067

--more--

Financial Summary

(in thousands, except per-share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Adjusted Gross Margin				
Regulated Energy segment	\$ 103,247	\$ 77,255	\$ 221,755	\$ 164,237
Unregulated Energy segment	23,413	22,635	69,462	65,229
Other businesses and eliminations	(28)	(90)	(58)	(126)
Total Adjusted Gross Margin**	\$ 126,632	\$ 99,800	\$ 291,159	\$ 229,340
Operating Income (Loss)				
Regulated Energy segment	\$ 40,505	\$ 29,291	\$ 98,614	\$ 66,916
Unregulated Energy segment	238	(993)	21,667	16,252
Other businesses and eliminations	47	48	94	93
Total Operating Income	40,790	28,346	120,375	83,261
Other income, net	1,110	831	1,305	1,107
Interest charges	16,813	6,964	33,839	14,196
Income Before Income Taxes	25,087	22,213	87,841	70,172
Income taxes	6,816	6,080	23,402	17,695
Net Income	\$ 18,271	\$ 16,133	\$ 64,439	\$ 52,477
Weighted Average Common Shares Outstanding: ⁽¹⁾				
Basic	22,284	17,794	22,267	17,777
Diluted	22,335	17,852	22,320	17,842
Earnings Per Share of Common Stock				
Basic	\$ 0.82	\$ 0.91	\$ 2.89	\$ 2.95
Diluted	\$ 0.82	\$ 0.90	\$ 2.89	\$ 2.94
Adjusted Net Income and Adjusted Earnings Per Share				
Net Income (GAAP)	\$ 18,271	\$ 16,133	\$ 64,439	\$ 52,477
FCG transaction and transition-related-expenses, net ⁽²⁾	1,006	—	1,683	—
Adjusted Net Income (Non-GAAP)**	\$ 19,277	\$ 16,133	\$ 66,122	\$ 52,477
Earnings Per Share - Diluted (GAAP)	\$ 0.82	\$ 0.90	\$ 2.89	\$ 2.94
FCG transaction and transition-related-expenses, net ⁽²⁾	0.04	—	0.07	—
Adjusted Earnings Per Share - Diluted (Non-GAAP)**	\$ 0.86	\$ 0.90	\$ 2.96	\$ 2.94

⁽¹⁾ Weighted average shares for the three and six months ended June 30, 2024 reflect the impact of 4.4 million common shares issued in November 2023 in connection with the acquisition of FCG.⁽²⁾ Transaction and transition-related expenses represent costs incurred attributable to the acquisition and integration of FCG including, but not limited to, transaction costs, transition services, consulting, system integration, rebranding and legal fees.

--more--

Financial Summary Highlights

Key variances between the second quarter of 2023 and 2024 included:

(in thousands, except per share data)

	Pre-tax Income	Net Income	Earnings Per Share
Second Quarter of 2023 Adjusted Results	\$ 22,213	\$ 16,133	\$ 0.90
Increased Adjusted Gross Margins:			
Contributions from acquisitions	23,527	17,135	0.77
Margin from regulated infrastructure programs*	1,340	976	0.04
Natural gas growth including conversions (excluding service expansions)	1,253	912	0.04
Increased level of virtual pipeline services	587	428	0.02
Natural gas transmission service expansions, including interim services*	563	410	0.02
Improved Aspire Energy performance - rate changes and gathering fees	251	183	—
	<u>27,521</u>	<u>20,044</u>	<u>0.89</u>
Increased Operating Expenses (Excluding Natural Gas, Propane, and Electric Costs):			
FCG operating expenses	(9,720)	(7,079)	(0.32)
Payroll, benefits and other employee-related expenses	(772)	(562)	(0.02)
Insurance related costs	(559)	(407)	(0.02)
Vehicle expenses	(250)	(182)	(0.01)
Depreciation, amortization and property tax costs (includes FCG)	(1,951)	(1,421)	(0.06)
	<u>(13,252)</u>	<u>(9,651)</u>	<u>(0.43)</u>
Interest charges	(9,849)	(7,173)	(0.32)
Increase in shares outstanding due to 2023 and 2024 equity offerings***	—	—	(0.18)
Net other changes	(172)	(76)	—
	<u>(10,021)</u>	<u>(7,249)</u>	<u>(0.50)</u>
Second Quarter of 2024 Adjusted Results**	\$ 26,461	\$ 19,277	\$ 0.86

* Refer to Major Projects and Initiatives Table for additional information.

** Transaction and transition-related expenses attributable to the acquisition and integration of FCG have been excluded from the Company's non GAAP measures of adjusted net income and adjusted EPS. See reconciliations above for a detailed comparison to the related GAAP measures.

*** Reflects the impact of 4.4 million common shares issued in November 2023 in connection with the acquisition of FCG.

--more--

Key variances between the six months ended June 30, 2023 and June 30, 2024 included:

(in thousands, except per share data)

	Pre-tax Income	Net Income	Earnings Per Share
Six months ended June 30, 2023 Adjusted Results	\$ 70,172	\$ 52,477	\$ 2.94
Non-recurring Items:			
Absence of benefit associated with a reduction in the PA state tax rate	—	(1,284)	(0.06)
	—	(1,284)	(0.06)
Increased Adjusted Gross Margins:			
Contributions from acquisitions	48,924	35,891	1.61
Natural gas growth including conversions (excluding service expansions)	3,169	2,325	0.10
Margin from regulated infrastructure programs*	2,618	1,921	0.09
Natural gas transmission service expansions, including interim services*	2,154	1,580	0.07
Changes in customer consumption	1,842	1,352	0.06
Rate changes associated with the Florida natural gas base rate proceeding*	1,630	1,196	0.05
Improved Aspire Energy performance - rate changes and gathering fees	1,189	872	0.04
Increased level of virtual pipeline services	487	358	0.02
Increased propane margins and fees	463	340	0.01
	<u>62,476</u>	<u>45,835</u>	<u>2.05</u>
(Increased) Decreased Operating Expenses (Excluding Natural Gas, Propane, and Electric Costs):			
FCG operating expenses	(20,133)	(14,770)	(0.66)
Insurance related costs	(1,084)	(795)	(0.04)
Vehicle expenses	(403)	(295)	(0.01)
Payroll, benefits and other employee-related expenses	2,192	1,608	0.07
Depreciation, amortization and property tax costs (includes FCG)	(3,449)	(2,530)	(0.11)
	<u>(22,877)</u>	<u>(16,782)</u>	<u>(0.75)</u>
Interest charges	(19,643)	(14,410)	(0.65)
Increase in shares outstanding due to 2023 and 2024 equity offerings***	—	—	(0.59)
Net other changes	8	286	0.02
	<u>(19,635)</u>	<u>(14,124)</u>	<u>(1.22)</u>
Six months ended June 30, 2024 Adjusted Results**	\$ 90,136	\$ 66,122	\$ 2.96

* Refer to Major Projects and Initiatives Table for additional information.

** Transaction and transition-related expenses attributable to the acquisition and integration of FCG have been excluded from the Company's non GAAP measures of adjusted net income and adjusted EPS. See reconciliations above for a detailed comparison to the related GAAP measures.

*** Reflects the impact of 4.4 million common shares issued in November 2023 in connection with the acquisition of FCG.

--more--

Recently Completed and Ongoing Major Projects and Initiatives

The Company continuously pursues and develops additional projects and initiatives to serve existing and new customers, further grow its businesses and earnings, and increase shareholder value. The following table includes all major projects and initiatives that are currently underway or recently completed. The Company's practice is to add new projects and initiatives to this table once negotiations or details are substantially final and/or the associated earnings can be estimated. Major projects and initiatives that have generated consistent year-over-year adjusted gross margin contributions are removed from the table at the beginning of the next calendar year.

The related descriptions of projects and initiatives that accompany the table include only new items and/or items where there have been significant developments, as compared to the Company's prior quarterly filings. A comprehensive discussion of all projects and initiatives reflected in the table below can be found in the Company's second quarter 2024 Quarterly Report on Form 10-Q.

(in thousands)	Adjusted Gross Margin							
	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,	Estimate for Fiscal		
	2024	2023	2024	2023	2023	2024	2025	
Pipeline Expansions:								
Southern Expansion	\$ 586	\$ 455	\$ 1,172	\$ 486	\$ 586	\$ 2,344	\$ 2,344	
Beachside Pipeline Expansion	603	603	1,206	603	1,810	2,451	2,414	
North Ocean City Connector	—	—	—	—	—	—	494	
St. Cloud / Twin Lakes Expansion	146	—	292	—	264	584	2,752	
Wildlight	205	67	404	93	471	1,423	2,038	
Lake Wales	114	38	228	38	265	454	454	
Newberry	72	—	72	—	—	1,364	2,585	
Boynton Beach	—	—	—	—	—	—	3,342	
New Smyrna Beach	—	—	—	—	—	—	1,710	
Central Florida Reinforcement	—	—	—	—	—	476	1,182	
Warwick	—	—	—	—	—	258	1,858	
Renewable Natural Gas Supply Projects	—	—	—	—	—	—	5,460	
Total Pipeline Expansions	1,726	1,163	3,374	1,220	3,396	9,354	26,633	
CNG/RNG/LNG Transportation and Infrastructure	3,505	2,905	6,940	6,426	11,181	13,500	14,500	
Regulatory Initiatives:								
Florida GUARD program	865	—	1,454	—	353	3,231	5,602	
FCG SAFE Program	689	—	1,101	—	—	2,683	5,293	
Capital Cost Surcharge Programs	777	703	1,608	1,423	2,829	3,979	4,374	
Florida Rate Case Proceeding ⁽¹⁾	4,005	3,873	9,600	7,970	15,835	17,153	17,153	
Maryland Rate Case ⁽²⁾	—	—	—	—	—	TBD	TBD	
Electric Storm Protection Plan	677	436	1,307	642	1,326	2,433	3,951	
Total Regulatory Initiatives	7,013	5,012	15,070	10,035	20,343	29,479	36,373	
Total	\$ 12,244	\$ 9,080	\$ 25,384	\$ 17,681	\$ 34,920	\$ 52,333	\$ 77,506	

⁽¹⁾ Includes adjusted gross margin during 2023 comprised of both interim rates and permanent base rates which became effective in March 2023.

⁽²⁾ Rate case application and depreciation study filed with the Maryland PSC in January 2024. See additional information provided below.

--more--

Detailed Discussion of Major Projects and Initiatives

Pipeline Expansions

St. Cloud / Twin Lakes Expansion

In July 2022, Peninsula Pipeline filed a petition with the Public Service Commission ("PSC") for the State of Florida for approval of its Transportation Service Agreement with the Company's Florida subsidiary, Florida Public Utilities ("FPU"), for an additional 2,400 Dts/day of firm service in the St. Cloud, Florida area. As part of this agreement, Peninsula Pipeline constructed a pipeline extension and regulator station for FPU. The extension supports new incremental load due to growth in the area, including providing service, most immediately, to the residential development Twin Lakes. The expansion also improves reliability and provides operational benefits to FPU's existing distribution system in the area, supporting future growth. The project went into service in July 2023.

In February 2024, Peninsula Pipeline filed a petition with the Florida PSC for approval of an amendment to its Transportation Service Agreement with FPU for an additional 10,000 Dts/day of firm service in the St. Cloud, Florida area. Peninsula Pipeline will construct pipeline expansions that will allow FPU to serve the future communities that are expected in that area. The Florida PSC approved the project in May 2024, and it is expected to be complete in the fourth quarter of 2025.

Newberry Expansion

In April 2023, Peninsula Pipeline filed a petition with the Florida PSC for approval of its Transportation Service Agreement with FPU for an additional 8,000 Dts/day of firm service in the Newberry, Florida area. The petition was approved by the Florida PSC in the third quarter of 2023. Peninsula Pipeline will construct a pipeline extension, which will be used by FPU to support the development of a natural gas distribution system to provide gas service to the City of Newberry. A filing to address the acquisition and conversion of existing Company owned propane community gas systems in Newberry was made in November 2023. The Florida PSC approved it in April 2024. The Company began the conversions of the community gas systems in the second quarter of 2024.

East Coast Reinforcement Projects

In December 2023, Peninsula Pipeline filed a petition with the Florida PSC for approval of its Transportation Service Agreements with FPU for projects that will support additional supply to communities on the East Coast of Florida. The projects are driven by the need for increased supply to coastal portions of the state that are experiencing significant population growth. Peninsula Pipeline will construct several pipeline extensions which will support FPU's distribution system in the areas of Boynton Beach and New Smyrna Beach with an additional 15,000 Dts/day and 3,400 Dts/day, respectively. The Florida PSC approved the projects in March 2024. Construction is projected to be complete in the first and second quarters of 2025 for Boynton Beach and New Smyrna Beach, respectively.

Central Florida Reinforcement Projects

In February 2024, Peninsula Pipeline filed a petition with the Florida PSC for approval of its Transportation Service Agreements with FPU for projects that will support additional supply to communities located in Central Florida. The projects are driven by the need for increased supply to communities in central Florida that are experiencing significant population growth. Peninsula Pipeline will construct several pipeline extensions which will support FPU's distribution system around the Plant City and Lake Mattie areas of Florida with an additional 5,000 Dts/day and 8,700 Dts/day, respectively. The Florida PSC approved the projects in May 2024. Completion of the projects is projected for the fourth quarter of 2024 for Plant City and the fourth quarter of 2025 for Lake Mattie.

Warwick

In July 2024, the Company announced plans to extend Eastern Shore's transmission deliverability by constructing an additional 4.4 miles of six inch steel pipeline. The project will reinforce the supply and

--more--

growth for our Delaware division distribution system and expand further into Maryland for anticipated future growth. The project is estimated to be in service during the fourth quarter of 2024.

Pioneer Supply Header Pipeline Project

In March 2024, Peninsula Pipeline filed a petition with the Florida PSC for its approval of Firm Transportation Service Agreements with both FCG and FPU for a project that will support greater supply growth of natural gas service in southeast Florida. The project consists of the transfer of a pipeline asset from FCG to Peninsula Pipeline. Peninsula Pipeline will proceed to provide transportation service to both FCG and FPU using the pipeline asset, which supports continued customer growth and system reinforcement of these distribution systems. The Florida PSC approved the petition in July 2024.

Renewable Natural Gas Supply Projects

In February 2024, Peninsula Pipeline filed a petition with the Florida PSC for approval of Transportation Service Agreements with FCG for projects that will support the transportation of additional renewable energy supply to FCG. The projects, located in Florida's Brevard, Indian River and Miami-Dade counties, will bring renewable natural gas produced from local landfills into FCG's natural gas distribution system. Peninsula Pipeline will construct several pipeline extensions which will support FCG's distribution system in Brevard County, Indian-River County, and Miami-Dade County. Benefits of these projects include increased gas supply to serve expected FCG growth, strengthened system reliability and additional system flexibility. The Florida PSC approved the petition at its July 2024 meeting with the projects estimated to be completed in the first half of 2025.

Regulatory Initiatives

Maryland Natural Gas Rate Case

In January 2024, the Company's natural gas distribution businesses in Maryland, CUC-Maryland Division, Sandpiper Energy, Inc., and Elkton Gas Company (collectively, "Maryland natural gas distribution businesses") filed a joint application for a natural gas rate case with the Maryland PSC. In connection with the application, we are seeking approval of the following: (i) permanent rate relief of approximately \$6.9 million; (ii) authorization to make certain changes to tariffs to include a unified rate structure and to consolidate the Maryland natural gas distribution businesses which we anticipate will be called Chesapeake Utilities of Maryland, Inc.; and (iii) authorization to establish a rider for recovery of the costs associated with our new technology systems. The outcome of the application is subject to review and approval by the Maryland PSC. Rate changes are suspended until December 2024.

Maryland Natural Gas Depreciation Study

In January 2024, the Company's Maryland natural gas distribution businesses filed a joint petition for approval of its proposed unified depreciation rates with the Maryland PSC. A settlement agreement between the Company, PSC staff and the Office of People's Counsel was reached and the final order approving the settlement agreement went into effect in July 2024 which will include an annual benefit of \$1.2 million.

FCG SAFE Program

In April 2024, FCG filed a petition with the Florida PSC to more closely align the SAFE Program with FPU's GUARD program. Specifically, the requested modifications will enable FCG to accelerate remediation related to problematic pipe and facilities consisting of obsolete and exposed pipe. If approved, these efforts will serve to improve the safety and reliability of service to FCG's customers. These modifications, if approved, will result in an estimated additional \$50 million in capital expenditures associated with the SAFE Program which would increase the total projected capital expenditures to \$255 million over a 10-year period. The Commission decision is expected in September 2024.

Delaware Natural Gas Rate Case

In May 2024, the Company's Delaware natural gas division provided notice to the Delaware PSC of its intent to file a petition seeking a general rate base increase based on a test period ending in December 2024. The filing is expected to be submitted to the Delaware PSC in August 2024 and the outcome of the application will be subject to review and approval by the Delaware PSC.

--more--

FPU Electric Rate Case

In June 2024, the Company provided notice to the Florida PSC of its intent to file a petition seeking a general rate base increase based on a 2025 projected test year. The filing is expected to be submitted to the Florida PSC in August 2024 and the outcome of the application will be subject to review and approval by the Florida PSC.

Other Major Factors Influencing Adjusted Gross Margin**Weather and Consumption**

Weather was not a significant factor to adjusted gross margin in the second quarter of 2024 compared to the same period in 2023.

For the six months ended June 30, 2024, higher consumption which includes the effects of colder weather conditions compared to the prior-year period resulted in a \$1.8 million increase in adjusted gross margin. While temperatures through June 30, 2024 were colder than the prior-year period, they were approximately 12.5 percent and 12.8 percent warmer, respectively, compared to normal temperatures in our Delmarva and Ohio service territories.

The following table summarizes HDD and CDD variances from the 10-year average HDD/CDD ("Normal") for the three and six months ended June 30, 2024 and 2023.

	Three Months Ended			Six Months Ended		
	June 30,		Variance	June 30,		Variance
	2024	2023		2024	2023	
Delmarva						
Actual HDD	319	276	43	2,281	2,050	231
10-Year Average HDD ("Normal")	387	408	(21)	2,608	2,693	(85)
Variance from Normal	(68)	(132)		(327)	(643)	
Florida						
Actual HDD	41	26	15	511	370	141
10-Year Average HDD ("Normal")	41	44	(3)	511	549	(38)
Variance from Normal	—	(18)		—	(179)	
Ohio						
Actual HDD	478	678	(200)	3,137	3,062	75
10-Year Average HDD ("Normal")	631	631	—	3,596	3,596	—
Variance from Normal	(153)	47		(459)	(534)	
Florida						
Actual CDD	1,115	937	178	1,296	1,260	36
10-Year Average CDD ("Normal")	978	952	26	1,195	1,144	51
Variance from Normal	137	(15)		101	116	

--more--

Natural Gas Distribution Growth

The average number of residential customers served on the Delmarva Peninsula increased by approximately 3.7 percent and 3.9 percent, respectively, for the three and six months ended June 30, 2024 while our legacy Florida Natural Gas distribution business increased by approximately 3.7 percent and 3.6 percent, respectively, during the same periods.

The details of the adjusted gross margin increase are provided in the following table:

	Adjusted Gross Margin**			
	Three Months Ended June 30, 2024		Six Months Ended June 30, 2024	
	Delmarva Peninsula	Florida	Delmarva Peninsula	Florida
<i>(in thousands)</i>				
Customer growth:				
Residential	\$ 352	\$ 647	\$ 842	\$ 1,527
Commercial and industrial	124	130	280	520
Total customer growth ⁽¹⁾	\$ 476	\$ 777	\$ 1,122	\$ 2,047

⁽¹⁾ Customer growth amounts for the legacy Florida operations include the effects of revised rates associated with the Company's natural gas base rate proceeding, but exclude the effects of FCG.

Capital Investment Growth and Capital Structure Updates

The Company's capital expenditures were \$159.5 million for the six months ended June 30, 2024. The following table shows a range of the forecasted 2024 capital expenditures by segment and by business line:

	2024	
	Low	High
<i>(in thousands)</i>		
Regulated Energy:		
Natural gas distribution	\$ 150,000	\$ 170,000
Natural gas transmission	90,000	120,000
Electric distribution	25,000	28,000
Total Regulated Energy	265,000	318,000
Unregulated Energy:		
Propane distribution	13,000	15,000
Energy transmission	5,000	6,000
Other unregulated energy	13,000	15,000
Total Unregulated Energy	31,000	36,000
Other:		
Corporate and other businesses	4,000	6,000
Total 2024 Forecasted Capital Expenditures	\$ 300,000	\$ 360,000

The capital expenditure projection is subject to continuous review and modification. Actual capital requirements may vary from the above estimates due to a number of factors, including changing economic conditions, supply chain disruptions, capital delays that are greater than currently anticipated, customer growth in existing areas, regulation, new growth or acquisition opportunities and availability of capital.

--more--

The Company's target ratio of equity to total capitalization, including short-term borrowings, is between 50 and 60 percent. The Company's equity to total capitalization ratio, including short-term borrowings, was approximately 48 percent as of June 30, 2024.

--more--

Chesapeake Utilities Corporation and Subsidiaries
Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<i>(in thousands, except per share data)</i>				
Operating Revenues				
Regulated Energy	\$ 130,625	\$ 101,141	\$ 299,051	\$ 243,411
Unregulated Energy	41,419	40,751	124,522	123,916
Other businesses and eliminations	(5,772)	(6,299)	(11,557)	(13,605)
Total Operating Revenues	166,272	135,593	412,016	353,722
Operating Expenses				
Natural gas and electricity costs	27,378	23,886	77,296	79,174
Propane and natural gas costs	12,262	11,907	43,561	45,208
Operations	52,339	42,163	103,899	86,930
FCG transaction and transition-related expenses	1,374	—	2,295	—
Maintenance	5,561	5,258	11,464	10,362
Depreciation and amortization	17,877	17,303	34,893	34,486
Other taxes	8,691	6,730	18,233	14,301
Total operating expenses	125,482	107,247	291,641	270,461
Operating Income	40,790	28,346	120,375	83,261
Other income, net	1,110	831	1,305	1,107
Interest charges	16,813	6,964	33,839	14,196
Income Before Income Taxes	25,087	22,213	87,841	70,172
Income taxes	6,816	6,080	23,402	17,695
Net Income	\$ 18,271	\$ 16,133	\$ 64,439	\$ 52,477
Weighted Average Common Shares Outstanding:				
Basic	22,284	17,794	22,267	17,777
Diluted	22,335	17,852	22,320	17,842
Earnings Per Share of Common Stock:				
Basic	\$ 0.82	\$ 0.91	\$ 2.89	\$ 2.95
Diluted	\$ 0.82	\$ 0.90	\$ 2.89	\$ 2.94
Adjusted Net Income and Adjusted Earnings Per Share				
Net Income (GAAP)	\$ 18,271	\$ 16,133	\$ 64,439	\$ 52,477
FCG transaction and transition-related expenses, net ⁽¹⁾	1,006	—	1,683	—
Adjusted Net Income (Non-GAAP)**	\$ 19,277	\$ 16,133	\$ 66,122	\$ 52,477
Earnings Per Share - Diluted (GAAP)	\$ 0.82	\$ 0.90	\$ 2.89	\$ 2.94
FCG transaction and transition-related expenses, net ⁽¹⁾	0.04	—	0.07	—
Adjusted Earnings Per Share - Diluted (Non-GAAP)**	\$ 0.86	\$ 0.90	\$ 2.96	\$ 2.94

⁽¹⁾ Transaction and transition-related expenses represent costs incurred attributable to the acquisition and integration of FCG including, but not limited to, transaction costs, transition services, consulting, system integration, rebranding and legal fees.

--more--

Chesapeake Utilities Corporation and Subsidiaries
Consolidated Balance Sheets (Unaudited)

Assets <i>(in thousands, except per share data)</i>	June 30, 2024	December 31, 2023
Property, Plant and Equipment		
Regulated Energy	\$ 2,515,712	\$ 2,418,494
Unregulated Energy	420,074	410,807
Other businesses and eliminations	32,645	30,310
Total property, plant and equipment	2,968,431	2,859,611
Less: Accumulated depreciation and amortization	(546,598)	(516,429)
Plus: Construction work in progress	157,347	113,192
Net property, plant and equipment	2,579,180	2,456,374
Current Assets		
Cash and cash equivalents	6,430	4,904
Trade and other receivables	56,362	74,485
Less: Allowance for credit losses	(2,195)	(2,699)
Trade and other receivables, net	54,167	71,786
Accrued revenue	20,177	32,597
Propane inventory, at average cost	6,511	9,313
Other inventory, at average cost	19,715	19,912
Regulatory assets	19,646	19,506
Storage gas prepayments	2,801	4,695
Income taxes receivable	9,865	3,829
Prepaid expenses	12,549	15,407
Derivative assets, at fair value	1,180	1,027
Other current assets	3,236	2,723
Total current assets	156,277	185,699
Deferred Charges and Other Assets		
Goodwill	507,856	508,174
Other intangible assets, net	15,910	16,865
Investments, at fair value	13,620	12,282
Derivative assets, at fair value	192	40
Operating lease right-of-use assets	11,201	12,426
Regulatory assets	83,594	96,396
Receivables and other deferred charges	12,923	16,448
Total deferred charges and other assets	645,296	662,631
Total Assets	\$ 3,380,753	\$ 3,304,704

--more--

Chesapeake Utilities Corporation and Subsidiaries
Consolidated Balance Sheets (Unaudited)

Capitalization and Liabilities <i>(in thousands, except per share data)</i>	June 30, 2024	December 31, 2023
Capitalization		
Stockholders' equity		
Preferred stock, par value \$0.01 per share (authorized 2,000 shares), no shares issued and outstanding	\$ —	\$ —
Common stock, par value \$0.4867 per share (authorized 50,000 shares)	10,854	10,823
Additional paid-in capital	755,751	749,356
Retained earnings	525,525	488,663
Accumulated other comprehensive loss	(1,576)	(2,738)
Deferred compensation obligation	9,703	9,050
Treasury stock	(9,703)	(9,050)
Total stockholders' equity	1,290,554	1,246,104
Long-term debt, net of current maturities	1,174,762	1,187,075
Total capitalization	2,465,316	2,433,179
Current Liabilities		
Current portion of long-term debt	18,592	18,505
Short-term borrowing	207,091	179,853
Accounts payable	69,041	77,481
Customer deposits and refunds	44,775	46,427
Accrued interest	3,652	7,020
Dividends payable	14,272	13,119
Accrued compensation	12,519	16,544
Regulatory liabilities	19,677	13,719
Income taxes payable	—	—
Derivative liabilities, at fair value	27	354
Other accrued liabilities	20,547	13,362
Total current liabilities	410,193	386,384
Deferred Credits and Other Liabilities		
Deferred income taxes	283,322	259,082
Regulatory liabilities	192,710	195,279
Environmental liabilities	2,402	2,607
Other pension and benefit costs	16,102	15,330
Derivative liabilities, at fair value	12	927
Operating lease - liabilities	9,341	10,550
Deferred investment tax credits and other liabilities	1,355	1,366
Total deferred credits and other liabilities	505,244	485,141
Environmental and other commitments and contingencies ⁽¹⁾	—	—
Total Capitalization and Liabilities	\$ 3,380,753	\$ 3,304,704

⁽¹⁾ Refer to Note 6 and 7 in the Company's Quarterly Report on Form 10-Q for further information.

--more--

Second Quarter 2024

Earnings Call Presentation



August 9, 2024



Safe Harbor for Forward-Looking Statements

Safe Harbor Statement

Some of the statements in this presentation are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and other applicable law. Such forward-looking statements may be identified by the use of words, such as "project," "believe," "expect," "anticipate," "intend," "plan," "estimate," "continue," "potential," "forecast" or other similar words, or future or conditional verbs such as "may," "will," "should," "would" or "could." These statements represent our intentions, plans, expectations, assumptions and beliefs about our future financial performance, business strategy, projected plans and objectives. These statements are subject to many risks and uncertainties and actual results may materially differ from those expressed in these forward-looking statements. Please refer to Chesapeake Utilities Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC and other SEC filings concerning factors that could cause those results to be different than contemplated in this presentation.

Non-GAAP Financial Information

This presentation includes non-GAAP financial measures including Adjusted Gross Margin, Adjusted Net Income and Adjusted Earnings Per Share ("EPS*"). 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.

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. The Company calculates Adjusted Net Income and Adjusted EPS by deducting costs and expenses associated with significant acquisitions that may affect the comparison of period-over-period results. These non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. The Company believes that these non-GAAP measures are useful and meaningful to investors as a basis for making investment decisions and provide investors with information that demonstrates the profitability achieved by the Company under allowed rates for regulated energy operations and under the Company's competitive pricing structures for unregulated energy operations. The Company's management uses these non-GAAP financial measures in assessing a business unit and Company performance. Other companies may calculate these non-GAAP financial measures in a different manner.

See Appendix for a reconciliation of Gross Margin, Net Income and EPS, all as defined under GAAP, to our non-GAAP measures of Adjusted Gross Margin, Adjusted Net Income, and Adjusted EPS for each of the periods presented.

*Unless otherwise noted, EPS and Adjusted EPS information is presented on a diluted basis.

Safety Moment: Hurricane & General Emergency Preparedness

FLORIDA PUBLIC UTILITIES

- Completed its annual **Hurricane Season Preparedness Drill** in July
- Lessons learned were already put to the test this past week with **Hurricane Debby**
- While there were significant impacts to communities in Florida and beyond, we are grateful that outages have been limited
- **Our teams have responded efficiently** to ensure safe and reliable service for our customers
- FPU continues to show **improved electric reliability metrics**, including reducing the frequency and duration of outages by ~10%



FEMA

Personal Emergency Preparedness

- Being prepared means having your own food, water and other supplies to last for at least 72 hours
- A disaster supplies kit is a collection of basic items your household may need in the event of an emergency
- Visit [Ready.gov](https://www.ready.gov) for a checklist of supplies, including a printable version from FEMA

Today's Presenters



Jeff Householder

Chair of the Board,
President &
Chief Executive Officer



Beth Cooper

Executive Vice President,
Chief Financial Officer, Treasurer
& Asst. Corporate Secretary



Jim Moriarty

Executive Vice President,
General Counsel,
Corporate Secretary &
Chief Policy and Risk Officer



Lucia Dempsey

Head of
Investor Relations

Continued Strong Financial Performance in 2024



Key Financial Highlights

Q2 2024 Results

- Adjusted Gross Margin: \$126.6M, up 27% from Q2 2023
- Adjusted Net Income: \$19.3M, up 19% from Q2 2023

Earnings Guidance Reaffirmed

- FY 2024 Adjusted EPS of **\$5.33 - \$5.45** per share
- FY 2025 Adjusted EPS of **\$6.15 - \$6.35** per share
- FY 2028 Adjusted EPS of **\$7.75 - \$8.00** per share

CapEx Guidance Reaffirmed

- YTD 2024 Capital Expenditures of **\$160M**
- 2024 Capital Expenditure Guidance: **\$300M - \$360M**
- 2024 - 2028 5-Year CapEx Guidance: **\$1.5B - \$1.8B**

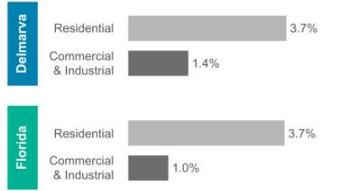


¹ Adjusted Diluted Earnings Per Share Growth from Continuing Operations; 2024 excludes transaction / transition-related costs associated with the FCG acquisition.

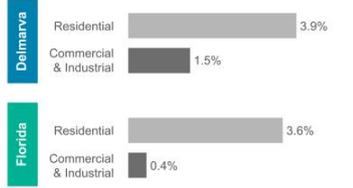
High-Growth Service Areas Drive Investment Opportunities

Strong Customer Growth

Q2 2024 vs Q2 2023



YTD 2024 vs YTD 2023



Cecil County Case Study

- CPK began gas transmission expansion in 2018 to serve initial commercial growth
- To date, at least 28 miles of transmission infrastructure have been installed
- This increased capacity attracted a number of industrial and commercial businesses to the area, driving significant economic growth for Cecil County



"Chesapeake Utilities' infrastructure investments have expanded availability of natural gas along U.S. Route 40, benefiting a wide range of current and future customers in this designated growth corridor, and we look forward to a continued partnership with Chesapeake Utilities for years to come."
 — Cecil County Economic Development Commission

Natural Gas Capacity Growth Attracts New Businesses to Cecil County:



Executing On Our Long-Term Growth Plan



5-Year Capex Guidance is On-Track and Achievable

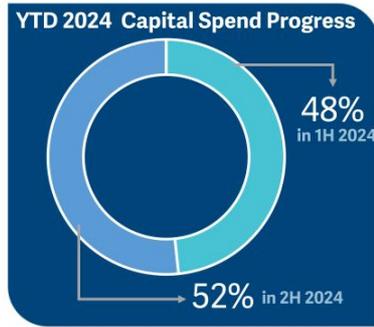
~\$1.3 billion of identified capital projects support our 5-year CapEx guidance of \$1.5 - \$1.8 billion

Segment	5-Year Guidance		Identified Regulated CapEx	5-Year Spend
Regulated Distribution	\$600 - \$645M	We have already made significant progress identifying capital projects, many of which are also already underway	Natural Gas LDC Organic Growth	\$625M
Regulated Transmission	\$435 - \$590M		Newberry, Wildlight Phase 2	\$28M
Regulated Infrastructure	\$300 - \$340M		Boynton Beach, New Smyrna	\$36M
Unregulated Businesses	\$140 - \$165M		Lake Mattie, St. Cloud, Plant City	\$42M
Technology	\$70 - \$90M		Other Approved Pipeline Projects	\$49M
			Worcester Resiliency	\$80M
			GUARD / SAFE Programs ¹	\$230M
			Eastern Shore Capital Surcharge	\$75M
			Florida Electric Storm Protection Plan	\$50M
			Technology Transformation	\$80M
Total	\$1.5 - \$1.8B		Total Identified & Ongoing Capital	~\$1.3B



¹Includes \$50 million requested in April 2024 but not yet approved.

2024 Capital Investment On Track to Drive Margin Growth



Year-to-date capital expenditures on track, with \$160M in spending on strategic growth opportunities and technology transformation



\$300 - \$360M

2024E Capital Expenditures

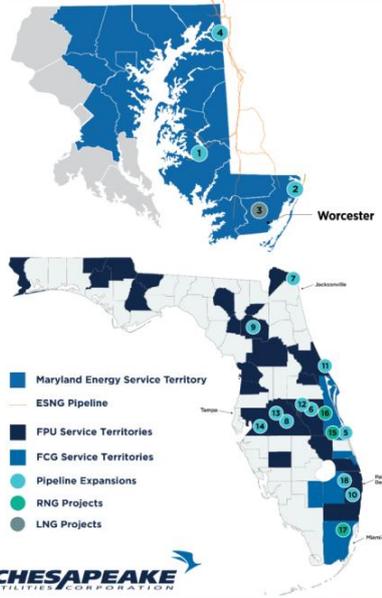
- **General Corporate CapEx: \$4 - \$6M**
- **Unregulated Energy CapEx: \$31 - \$36M**
 - Propane Distribution: \$13 - \$15M
 - Energy Transmission: \$5 - \$6M
 - Other Unregulated: \$13 - \$15M

- **Regulated Energy CapEx: \$265 - \$318M**
 - Natural Gas Distribution: \$150 - \$170M
 - Natural Gas Transmission: \$90 - \$120M
 - Electric Distribution: \$25 - \$28M

We remain on track for 5-Year CapEx Plan of **\$1.5 - \$1.8B**

2024E Capex

Organic Growth Driving Delmarva + Florida Investments



#	Project Name	Status	In-Service	Total CapEx	Adj. Gross Margin (\$M)	
					2024E	2025E
1	Southern Expansion	In-Service	Q4 2023	~\$14M	\$2.3	\$2.3
2	North Ocean City Connector	In-Service	Q2 2023 ¹	~\$6M	—	\$0.5
3	Worcester Resiliency Upgrade (WRU)	Pending Approval	Q3 2025	~\$80M	—	—
4	Warwick Extension	In-Progress	Q4 2024	~\$9M	\$0.3	\$1.9
5	Beachside Expansion	In-Service	Q2 2023	~\$11M	\$2.5	\$2.4
6	St. Cloud / Twin Lakes	In-Service	Q3 2023	~\$4M	\$0.6	\$0.6
7	Wildlight Phase 1 & 2	In-Progress	2023-2025	~\$25M	\$1.4	\$2.0
8	Lake Wales	In-Service	Q2 2023	~\$2M	\$0.5	\$0.5
9	Newberry Expansion	In-Progress	Q2 2024	~\$15M	\$1.4	\$2.6
10	Boynton Beach	In-Progress	Q1 2025	~\$21M	—	\$3.3
11	New Smyrna Beach	In-Progress	Q2 2025	~\$15M	—	\$1.7
12	St. Cloud Expansion	In-Progress	Q2 2025	~\$20M	—	\$2.2
13	Lake Mattie	In-Progress	Q4 2025 ²	~\$18M	—	—
14	Plant City	In-Progress	Q4 2024	~\$4M	\$0.5	\$1.2
15	Indian River RNG ³	In-Progress		~\$18M	—	—
16	Brevard RNG ³	In-Progress	2025	~\$6M	—	\$5.5
17	Medley RNG ³	In-Progress		~\$22M	—	—
18	Pioneer Supply Header	In-Service	Q3 2024	—	—	—
Totals:				\$290M	\$9.4	\$26.7

¹ Regulatory recovery through the Maryland General Rate Case so no margin impact in 2024. ² Expected in-service in late December 2025 so no 2025 margin expected. ³ Approval received in July 2024 from the Florida PSC for these RNG transportation projects, which facilitate additional capacity from landfills through FCG's system.

Making Strides with Business Transformation

We are continually evaluating and improving our people, processes, systems and structures in order to ensure long-term success and growth in an ever-changing environment.



Achieving Operational Synergies

Consolidating processes and resources and incorporating operations into existing systems



Optimizing Operations

"Best of Both" approach to identify and implement efficiencies and operations throughout Florida



Accelerating Investment Opportunities

Moving forward on regulatory approvals and construction to support FCG service area growth

In August 2024, CPK is implementing an **SAP customer information system** to enhance our service platforms, streamline processes and improve efficiency across 4 key workstreams:

- Billing & Invoicing
- Customer Service
- Device and Work Management
- Finance and Contracting (FICA)

SAP will be implemented for FCG in Spring 2025



Increasing Adj. Gross Margin Driving Bottom-Line Growth

Gross margin growth drove higher operating income and bottom-line net income, averaging 30%+ growth.



Excluding transaction & transition-related expenses², Q2 2024 operating income increased \$13.8M, or 49%

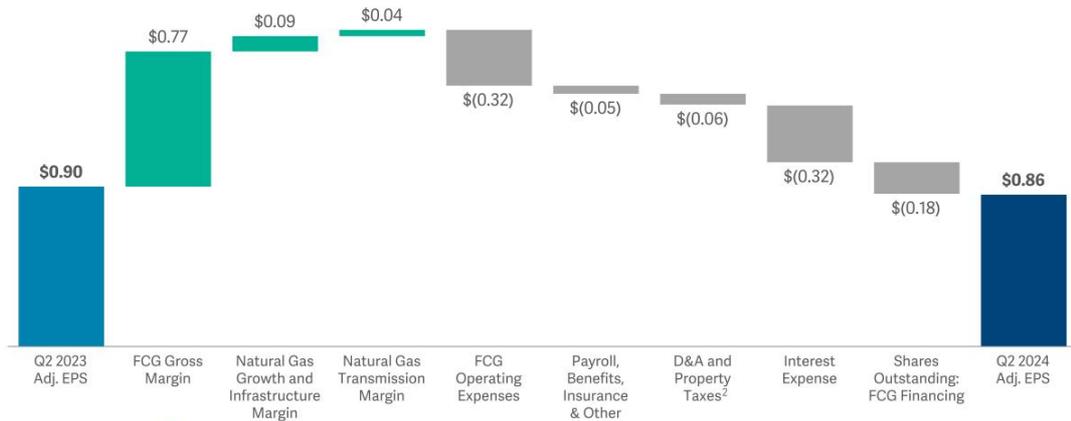


¹ See appendix for a reconciliation of non-GAAP metrics. ² Transaction and transition-related expenses represent costs incurred attributable to the acquisition and integration of FCG including, but not limited to, transaction costs, transition services, consulting, system integration, rebranding and legal fees.

Key Drivers of Performance – Three Months Ended June 30, 2024

Adjusted EPS for the second quarter benefited from our core business performance and recent acquisition of Florida City Gas; offset primarily by financing costs related to the FCG acquisition.

Adjusted Diluted Earnings Per Share¹



¹ See appendix for GAAP to non-GAAP reconciliation for adjusted diluted earnings per share.

² Includes a benefit from RSAM of \$2.3 million, pre-tax, or \$0.08 per share.

Regulated Energy Segment Generates Operating Income Growth

Adj. Gross Margin¹ up **34%** & Operating income up **38%**, driven by:

- **\$23.4M** from FCG operations & growth
- **\$1.8M** from natural gas growth, conversions and service expansions
- **\$1.3M** from transmission expansions and regulated infrastructure programs

Partially offset by primarily **\$8.6M** of FCG operating expenses



	Q2 2023	Q2 2024
Adjusted Gross Margin ¹	\$ 77.3	\$ 103.2
D&A + Property Taxes	18.9	22.9
Transaction + Transition Expense ²	—	1.4
Other Operating Expenses	29.1	38.5
Operating Income (Loss)	\$ 29.3	\$ 40.5



Note: Dollars in millions. Table may not foot due to rounding.

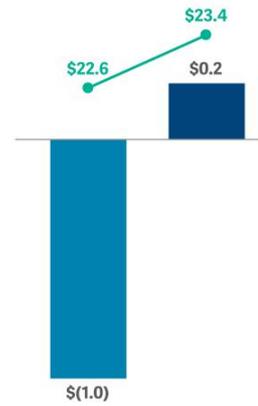
¹See appendix for a reconciliation of non-GAAP metrics. ²Transaction and transition-related expenses represent costs incurred attributable to the acquisition and integration of FCG including, but not limited to, transaction costs, transition services, consulting, system integration, rebranding and legal fees.

Improvement in Unregulated Energy Segment Relative to Q2 2023

Adjusted Gross Margin¹ up **3%**, driven by:

- \$0.6M** from higher Marlin virtual pipeline services
- \$0.3M** from increased margins for Aspire Energy in Ohio
- \$0.3M** from propane operations

Partially offset by **\$0.5M** of increased insurance and vehicle expenses



	Q2 2023	Q2 2024
Adjusted Gross Margin ¹	\$ 22.6	\$ 23.4
D&A + Property Taxes	4.8	3.8
Other Operating Expenses	18.9	19.3
Operating Income (Loss)	\$ (1.0)	\$ 0.2



Note: Dollars in millions.

¹See appendix for GAAP to non-GAAP reconciliation of adjusted gross margin.

Strong Balance Sheet Supports Growth Plan



- ### Recent Financing Activity
- Upsized, amended and extended our Revolving Credit Facility ("Revolver") by \$75M to \$450M
 - Entered into an interest rate swap on \$50 million for five years at 3.97%

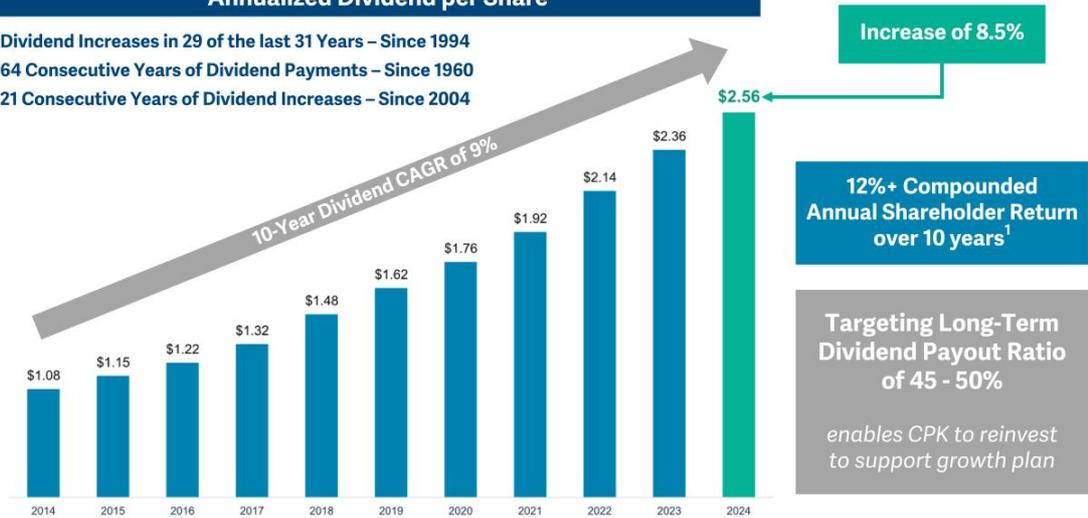


¹ Short-term debt for both periods includes short-term borrowing as well as the current portion of long-term debt.
² Total liquidity includes the upsized \$450M Revolver and \$255M of Private Placement Shelves.

Three Decades of Dividend Growth Drive Shareholder Return

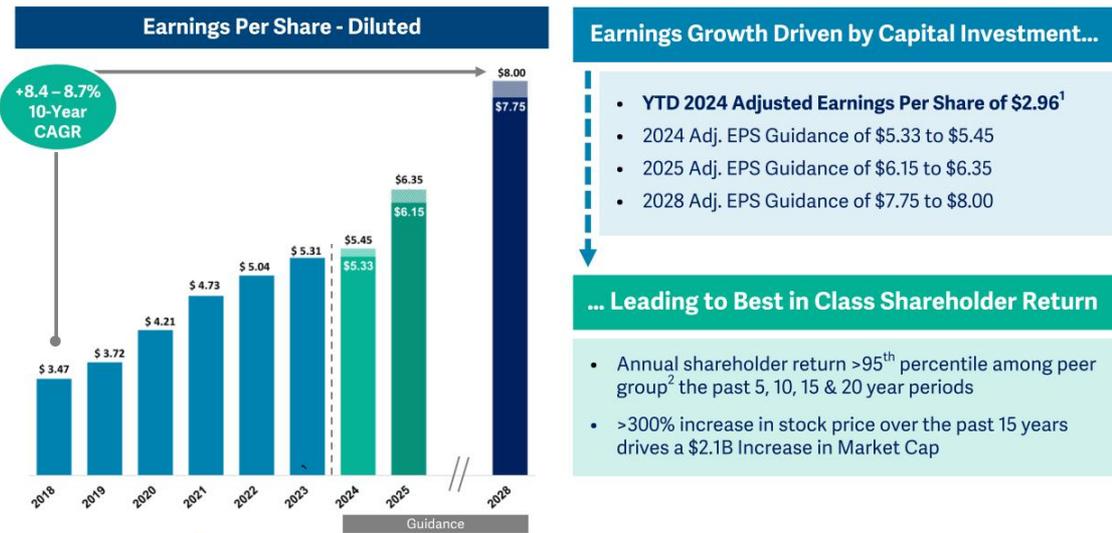
Annualized Dividend per Share

Dividend Increases in 29 of the last 31 Years – Since 1994
64 Consecutive Years of Dividend Payments – Since 1960
21 Consecutive Years of Dividend Increases – Since 2004



¹ Calculated through 12/31/2023.

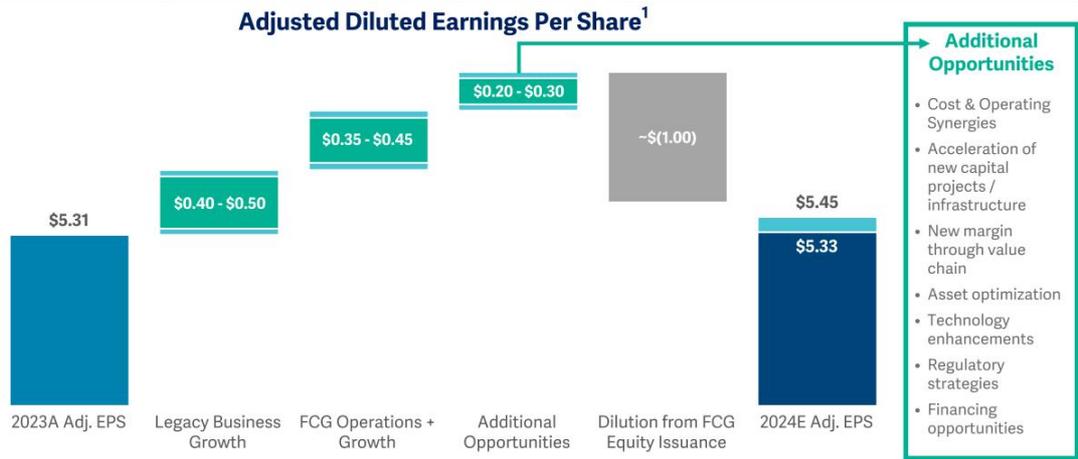
Driving Increased Shareholder Value; Reaffirming Earnings Guidance



¹ Adjusted EPS excludes transaction and transition-related expenses incurred attributable to the acquisition of FCG.
² Peer Group includes select group of 10 CPK peer companies. Details can be found in the Annual Report on Form 10-K.

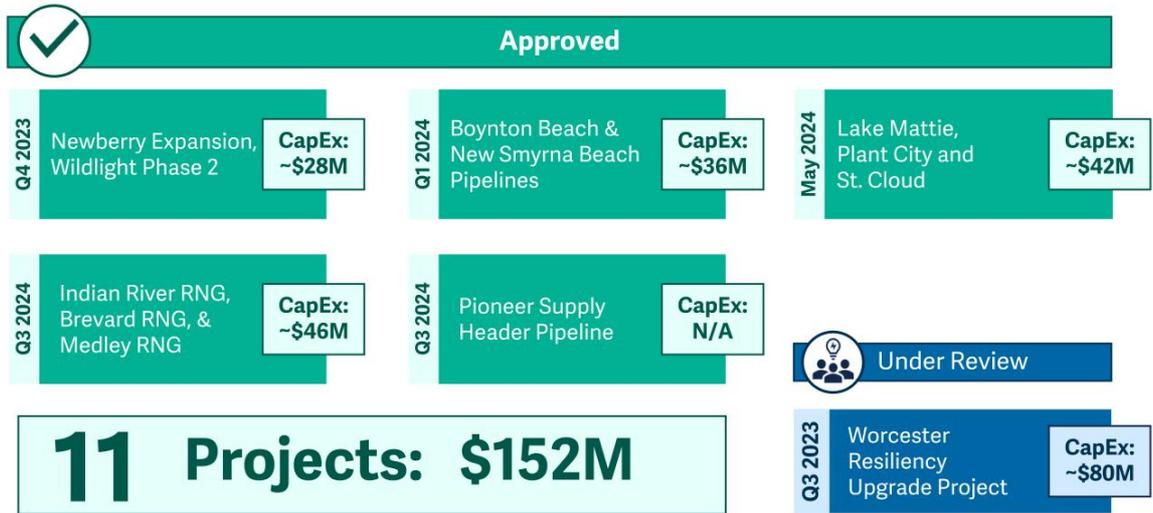
Pathway to 2024 EPS¹ Guidance

Our 2024 target is based on continued growth from our legacy businesses, a full year of contribution from FCG, and additional opportunities we have identified.



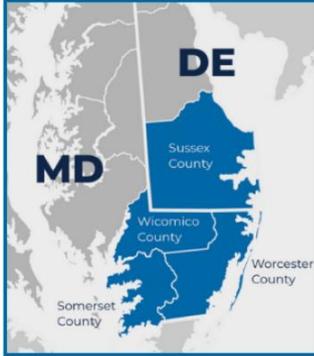
¹ See appendix for GAAP to non-GAAP reconciliation for adjusted diluted earnings per share; 2023 excludes transaction-related costs associated with the FCG acquisition.

Significant Regulatory Progress on Recent Florida Transmission Projects



Worcester Resiliency Upgrade Project Proceeding On Schedule

Eastern Shore Natural Gas LNG Storage project designed to meet critical energy service to customers during the peak winter heating season.



- \$80 million planned liquefied natural gas storage facility in Bishopville, MD
- Project consists of five low-profile horizontal storage tanks allowing for up to 500 thousand gallons of storage plus pipeline looping and additional upgrades
- Incremental storage capacity will help protect against weather-related disruptions, to support affordable energy prices
- Easements now complete
- Discussions for tank delivery plan are underway
- Equipment purchase orders and engineering / designs being organized
- Expecting FERC Approval by year-end 2024 for construction start Q1 2025



380M³ Liquefied Natural Gas Storage Tanks



Note: FERC = Federal Energy Regulatory Commission.

Approved Infrastructure Programs Support Capital Growth

Gas		Electric																		
Eastern Shore	Florida City Gas	Florida Public Utilities																		
<p>Capital Cost Surcharge</p> <table border="1"> <tr> <td>5-Year CapEx</td> <td style="text-align: right;">\$50-100M</td> </tr> <tr> <td>'24E Gross Margin</td> <td style="text-align: right;">\$4.0M</td> </tr> <tr> <td>'25E Gross Margin</td> <td style="text-align: right;">\$4.4M</td> </tr> </table> <ul style="list-style-type: none"> February 2018: Received approval for program that allows recovery of costs for highway or railroad relocation projects related to equipment replacements 	5-Year CapEx	\$50-100M	'24E Gross Margin	\$4.0M	'25E Gross Margin	\$4.4M	<p>SAFE Program</p> <table border="1"> <tr> <td>10-Year CapEx¹</td> <td style="text-align: right;">\$255M</td> </tr> <tr> <td>2024E Gross Margin</td> <td style="text-align: right;">\$2.7M</td> </tr> <tr> <td>2025E Gross Margin</td> <td style="text-align: right;">\$5.3M</td> </tr> </table> <ul style="list-style-type: none"> April 2024: Filed petition to more closely align SAFE program with FPU's GUARD program to accelerate remediation for problematic, obsolete, and exposed pipe Proposal represents an incremental \$50 million, leading to total project capital expenditures of \$255 million over 10 years 	10-Year CapEx ¹	\$255M	2024E Gross Margin	\$2.7M	2025E Gross Margin	\$5.3M	<p>GUARD Program</p> <table border="1"> <tr> <td>10-Year CapEx</td> <td style="text-align: right;">\$205M</td> </tr> <tr> <td>2024E Gross Margin</td> <td style="text-align: right;">\$3.2M</td> </tr> <tr> <td>2025E Gross Margin</td> <td style="text-align: right;">\$5.6M</td> </tr> </table> <ul style="list-style-type: none"> August 2023: GUARD program approved, to improve safety, reliability and accessibility of portions of the natural gas distribution system, including relocation, replacement, and/or repair of equipment and assets Represents \$205 million of capital expenditures over 10 years 	10-Year CapEx	\$205M	2024E Gross Margin	\$3.2M	2025E Gross Margin	\$5.6M
5-Year CapEx	\$50-100M																			
'24E Gross Margin	\$4.0M																			
'25E Gross Margin	\$4.4M																			
10-Year CapEx ¹	\$255M																			
2024E Gross Margin	\$2.7M																			
2025E Gross Margin	\$5.3M																			
10-Year CapEx	\$205M																			
2024E Gross Margin	\$3.2M																			
2025E Gross Margin	\$5.6M																			
<p style="text-align: center;">Elkton Gas</p> <ul style="list-style-type: none"> Aldyl-A pipeline replacement recently completed under PSC-Approved STRIDE filing 		<p>Storm Protection</p> <table border="1"> <tr> <td>5-Year CapEx</td> <td style="text-align: right;">\$50-75M</td> </tr> <tr> <td>'24E Gross Margin</td> <td style="text-align: right;">\$2.4M</td> </tr> <tr> <td>'25E Gross Margin</td> <td style="text-align: right;">\$4.0M</td> </tr> </table> <ul style="list-style-type: none"> Q4 2022: Received approval for FPU Electric's Storm Protection Plan and associated Storm Protection Plan Cost Recovery Mechanism 	5-Year CapEx	\$50-75M	'24E Gross Margin	\$2.4M	'25E Gross Margin	\$4.0M												
5-Year CapEx	\$50-75M																			
'24E Gross Margin	\$2.4M																			
'25E Gross Margin	\$4.0M																			



¹Includes \$50 million requested in April 2024; approval expected from the Florida PSC in September 2024.

Constructive Regulatory Environments for Rate Cases

Complete	Florida Public Utilities <ul style="list-style-type: none"> • Rates effective March 1, 2023 • \$17.2 million rate increase; ROE of 10.25% and equity of 55% 	Florida City Gas <ul style="list-style-type: none"> • Rates effective May 1, 2023 • \$14.1 million rate increase; allowed ROE of 8.5% -10.5%
In Progress		Soon-to-be Filed
Maryland LDCs: Chesapeake Utilities, Sandpiper Energy & Elkton Gas Company <ul style="list-style-type: none"> • Filed January 30, 2024, proposing a \$6.9M rate increase & requesting an 11.5% ROE • Reached a finalized settlement in the depreciation study, representing depreciation expense savings of \$1.2 million per year, retroactive to January 2023 • Proposed consolidation of our three MD natural gas distribution entities into one legal entity: "Chesapeake Utilities of Maryland, Inc." • Proposing other tariff changes, including establishing a new technology cost recovery rider, rolling certain investments into base rates, establishing a regulatory asset for an anticipated energy efficiency filing, and establishing an under-served area (USA) rate and a program for evaluating extensions to multi-family projects • Settlement conferences occurring this month, with constructive conversations thus far 		Delaware LDCs <ul style="list-style-type: none"> • Submitted an "Intent to File" with Delaware PSC in May 2024 • Projected to file in August 2024
		Florida Electric <ul style="list-style-type: none"> • Submitted an "Intent to File" with Florida PSC in June 2024 • Projected to file in August 2024

Full Circle Dairy in Production & Commissioning Phase



We are poised to execute on opportunities that enable us to use our existing transportation services and construction expertise to provide market pathways for RNG producers.

Full Circle Dairy RNG Facility

- Project is now producing RNG and in commissioning phase
- During June 2024, the first month of production, ~4,700 dekatherms of RNG have been captured and transported for use
- This RNG is then transported and injected into the Chesapeake Utilities system in Yulee, Florida by CPK subsidiary Marlin Gas Service, via their virtual pipeline capabilities
- Once fully operational, Full Circle Dairy is expected to produce an average of 100,000 dekatherms annually
- This represents an emissions reduction equivalent to over 6,000 gasoline-powered vehicles

Working Toward Excellence on All Fronts

Sustainability Reporting

Second Micro-Sustainability Report on **Environmental Stewardship** to be issued in Q3 2024



Corporate Awards



Escalent Names Florida City Gas **"Easiest to Do Business With"**



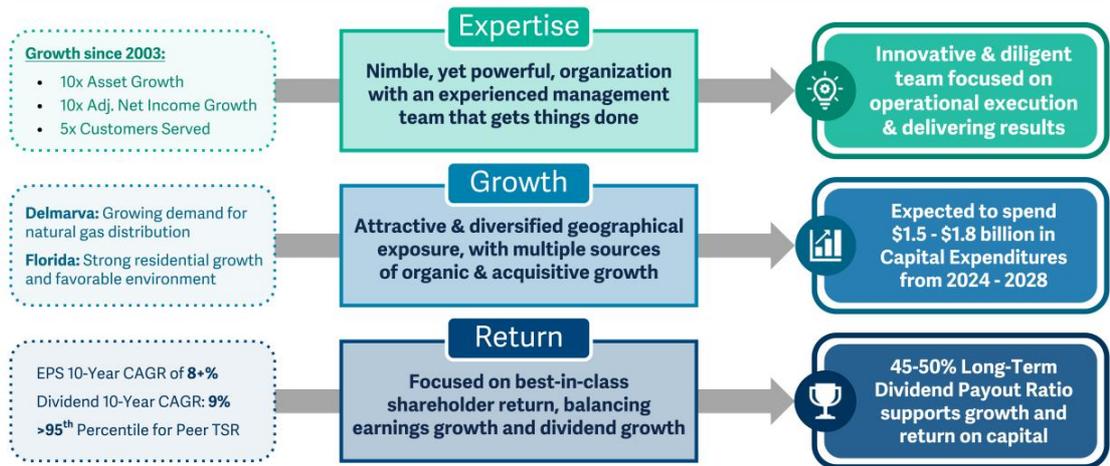
Sharp Energy recognized as **2024 Best Gas Company** by Metropolitan Magazine



For the second time, CPK named **Best for Corporate Governance** in the U.S. by World Finance

Why Chesapeake Utilities?

CPK's unique combination of operational expertise, growth potential and consistent delivery of long-term shareholder return connects our strong historical track record with our future success.



Appendix



Q2 2024 Earnings Call
August 9, 2024



GAAP to Non-GAAP Reconciliation – Consolidated Results

\$ in millions

Consolidated Reconciliation	Second Quarter Results				Year-to-Date Results			
	Q2 2024	Q2 2023	\$	%	YTD 2024	YTD 2023	\$	%
GAAP Operating Revenues	\$ 166.3	\$ 135.6	\$ 30.7	23%	\$ 412.0	\$ 353.7	\$ 58.3	16%
Cost of Sales								
Nat Gas, Propane, & Electric	(39.6)	(35.8)	(3.8)	11%	(120.9)	(124.4)	3.5	(3)%
Operating Expense ¹	(20.1)	(16.8)	(3.4)	20%	(41.3)	(34.5)	(6.8)	20%
D&A	(17.9)	(17.3)	(0.6)	3%	(34.9)	(34.5)	(0.4)	1%
GAAP Gross Margin	\$ 88.6	\$ 65.7	\$ 22.9	35%	\$ 215.0	\$ 160.3	\$ 54.6	34%
Add Back: Operating Expense ¹	20.1	16.8	3.4	20%	41.3	34.5	6.8	20%
Add Back: D&A	17.9	17.3	0.6	3%	34.9	34.5	0.4	1%
Adjusted Gross Margin	\$ 126.6	\$ 99.8	\$ 26.8	27%	\$ 291.2	\$ 229.3	\$ 61.8	27%



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, 2023 for additional details.

GAAP to Non-GAAP Reconciliation – Regulated Energy Segment

\$ in millions

Regulated Segment	Second Quarter Results				Year-to-Date Results			
	Q2 2024	Q2 2023	\$	%	YTD 2024	YTD 2023	\$	%
GAAP Operating Revenues	\$ 130.6	\$ 101.1	\$ 29.5	29%	\$ 299.1	\$ 243.4	\$ 55.6	23%
Cost of Sales								
Nat Gas, Propane, & Electric Operating Expense ¹	(27.4)	(23.9)	(3.5)	15%	(77.3)	(79.2)	1.9	(2)%
D&A	(12.3)	(9.2)	(3.0)	33%	(25.0)	(18.5)	(6.5)	35%
D&A	(14.7)	(13.0)	(1.6)	12%	(27.2)	(26.0)	(1.2)	5%
GAAP Gross Margin	\$ 76.3	\$ 55.0	\$ 21.4	39%	\$ 169.6	\$ 119.7	\$ 49.8	42%
Add Back: Operating Expense ¹	12.3	9.2	3.0	33%	25.0	18.5	6.5	35%
Add Back: D&A	14.7	13.0	1.6	12%	27.2	26.0	1.2	5%
Adjusted Gross Margin	\$ 103.2	\$ 77.3	\$ 26.0	34%	\$ 221.8	\$ 164.2	\$ 57.5	35%
Unregulated Segment	Q2 2024	Q2 2023	\$	%	YTD 2024	YTD 2023	\$	%
GAAP Operating Revenues	\$ 41.4	\$ 40.8	\$ 0.7	2%	\$ 124.5	\$ 123.9	\$ 0.6	—%
Cost of Sales								
Nat Gas, Propane, & Electric Operating Expense ¹	(18.0)	(18.1)	0.1	(1)%	(55.1)	(58.7)	3.6	(6)%
D&A	(7.9)	(7.5)	(0.4)	5%	(16.3)	(16.0)	(0.3)	2%
D&A	(3.2)	(4.3)	1.0	(25)%	(7.7)	(8.5)	0.8	(9)%
GAAP Gross Margin	\$ 12.3	\$ 10.8	\$ 1.5	13%	\$ 45.4	\$ 40.7	\$ 4.7	12%
Add Back: Operating Expense ¹	7.9	7.5	0.4	5%	16.3	16.0	0.3	2%
Add Back: D&A	3.2	4.3	(1.0)	(25)%	7.7	8.5	(0.8)	(9)%
Adjusted Gross Margin	\$ 23.4	\$ 22.6	\$ 0.8	3%	\$ 69.5	\$ 65.2	\$ 4.2	6%



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, 2023 for additional details.

GAAP to Non-GAAP Reconciliation – Adjusted Net Income and EPS

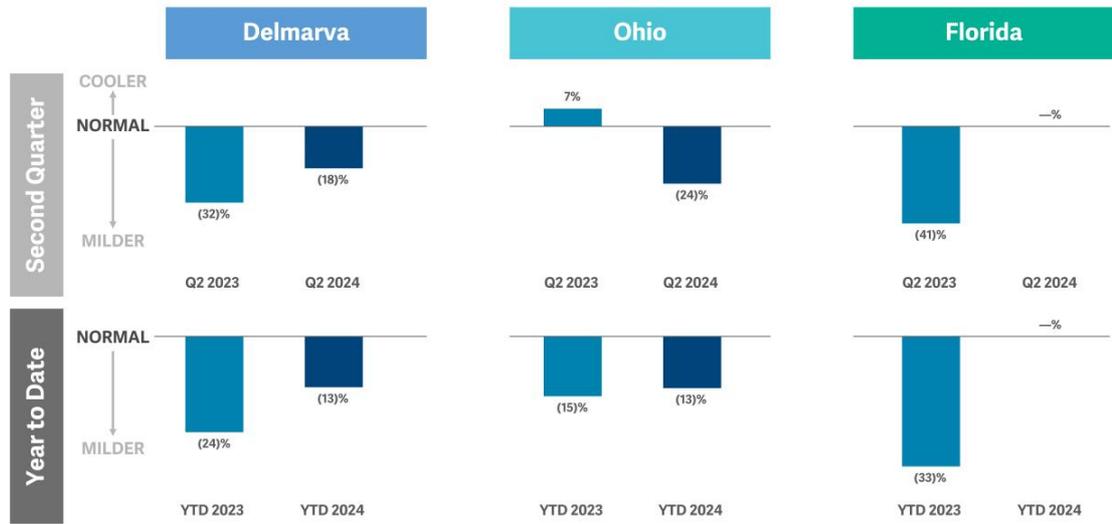
\$ in millions except per-share amounts
shares in thousands

Non-GAAP Reconciliation: NI /EPS	Second Quarter Results				Year-to-Date Results			
	Q2 2024	Q2 2023	\$	%	YTD 2024	YTD 2023	\$	%
GAAP Net Income	\$ 18.3	\$ 16.1	\$ 2.1	13%	\$ 64.4	\$ 52.5	\$ 12.0	23%
FCG Transaction+Transition Expenses ¹	\$ 1.0	\$ —	\$ 1.0	NM	\$ 1.7	\$ —	\$ 1.7	NM
Adjusted Net Income	\$ 19.3	\$ 16.1	\$ 3.1	19%	\$ 66.1	\$ 52.5	\$ 13.6	26%
Diluted Weighted Avg. Common Shares Outstanding²	22,335	17,852			22,320	17,842		
GAAP Diluted EPS	\$0.82	\$0.90	\$ —	(9)%	\$2.89	\$2.94	\$ —	(2)%
FCG Transaction+Transition Expenses ¹	\$0.04	\$ —	\$ —	NM	\$0.07	\$ —	\$ —	NM
Diluted Adjusted EPS	\$0.86	\$0.90	\$ —	(4)%	\$2.96	\$2.94	\$ —	1%



¹ Transaction and transition-related expenses represent costs incurred attributable to the acquisition and integration of FCG including, but not limited to, transition services, consulting, system integration, rebranding and legal fees. ² Weighted average shares for the quarter ended June 30, 2024 primarily reflects the impact of 4.4 million common shares issued in November 2023 in connection with the acquisition of FCG.

Weather Has Generally Been Warmer than Normal



Note: Normal reflects 10-Year Average Heating Degree Days (HDD). Percentages reflect actual HDD above / (below) Normal divided by Normal.

Long-Term Debt Profile – Positioned to Execute Growth Plan

\$ in millions

Minimal maturities over next 2 years enables CPK the flexibility to:

- Execute on a robust growing organic capital plan
- Fully integrate Florida City Gas and capitalize on commercial synergies & opportunities
- Navigate through the uncertain economic environment



Quarterly Earnings Cadence

Adjusted EPS ¹					
Year	Q1	Q2	Q3	Q4	FY
2023	\$2.04	\$0.90	\$0.69²	\$1.64	\$5.31
% of FY	38%	17%	13%	31%	
2022	\$2.08	\$0.96	\$0.54	\$1.47	\$5.04
% of FY	41%	19%	11%	29%	
2021	\$1.96	\$0.78	\$0.71	\$1.28	\$4.73
% of FY	41%	16%	15%	27%	
2020	\$1.77	\$0.64	\$0.56	\$1.24	\$4.21
% of FY	42%	15%	13%	29%	
2019	\$1.75	\$0.54	\$0.38	\$1.04	\$3.72
% of FY	47%	15%	10%	28%	
5yr % Band	38% - 47%	15% - 19%	10% - 15%	27% - 31%	

Note: Historic Adjusted EPS presented from continuing operations.



¹ Beginning in the third quarter of 2023, the Company's earnings per share metric was adjusted to exclude transaction-related expenses attributable to the announced acquisition of FCG including, but not limited to, legal, consulting, audit and financing fees.

² The sum of the four quarters does not equal the full year amount due to rounding and the impact of average share counts.

Aligning our Work with a Higher-Level Purpose

Our Mission

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



Our Values

Care We put people first.

Integrity We tell the truth.

Excellence We achieve great things together.

Our Vision

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



