

**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): March 3, 2021

Chesapeake Utilities Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-11590
(Commission
File Number)

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

909 Silver Lake Boulevard, Dover, Delaware 19904
(Address of principal executive offices, including Zip Code)

(302) 734-6799
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock - par value per share \$0.4867	CPK	New York Stock Exchange

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:

- ☐ 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 7.01 Regulation FD Disclosure.

On March 4, 2021, management from Chesapeake Utilities Corporation (the “Company”) will participate in the NYSE Energy and Utilities Access Day. The Company will virtually join members of investment firms in a series of scheduled meetings. The Company’s investor presentation includes certain forward-looking information. A copy of this investor presentation material is attached to this Current Report on Form 8-K (this “Report”) as Exhibit 99.1. The investor presentation material is also available in the “Investors” section of the Company’s website, sub-section “Events and Presentations” (www.chpk.com).

The information contained in this Item 7.01 and in Exhibit 99.1 attached to this Report is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of such section. Furthermore, such information shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit Numbers</u>	<u>Description</u>
99.1	NYSE Energy and Utilities Access Day – March 4, 2021 Presentation
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

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

March 4, 2021

By: /s/ Beth W. Cooper

Name: *Beth W. Cooper*

Title: *Executive Vice President and Chief Financial Officer*

Driven By **Energy**

Chesapeake Utilities Corporation

Intercontinental Exchange / ICE
New York Stock Exchange
Energy & Utilities Access Day
March 4, 2021



Commitment
Growth
Leadership
Safety
Sustainability
Solutions
Energy
Strength
Team
Service
Performance
Community
Value

Presenters



Jeff Householder
President & CEO



Beth Cooper
Executive Vice President,
CFO and Asst. Secretary



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

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' 2020 Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC and other SEC filings concerning factors that could cause those results to be different than contemplated in today's discussion.

Reg D Disclosure

Today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation D. Although non-GAAP measures are not intended to replace GAAP measures for evaluation of Chesapeake's performance, Chesapeake believes that portions of the presentation, which include certain non-GAAP financial measures, provide a helpful comparison for an investor's evaluation purposes.

Gross Margin (Non-GAAP Measure)

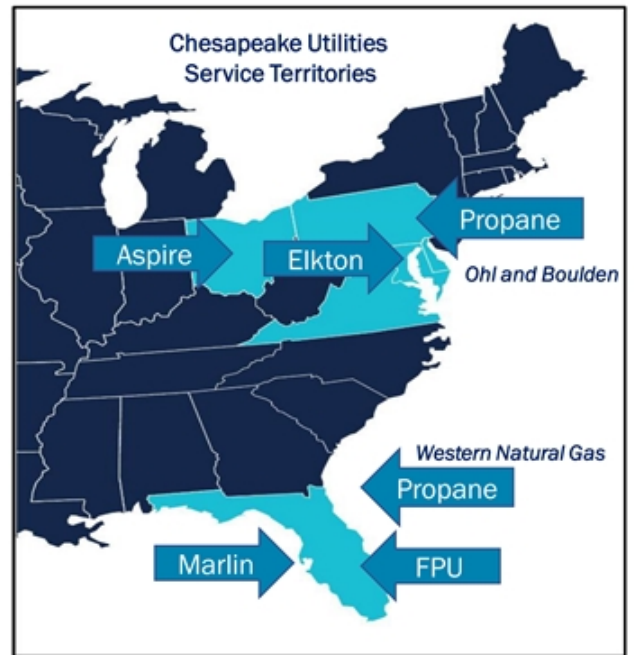
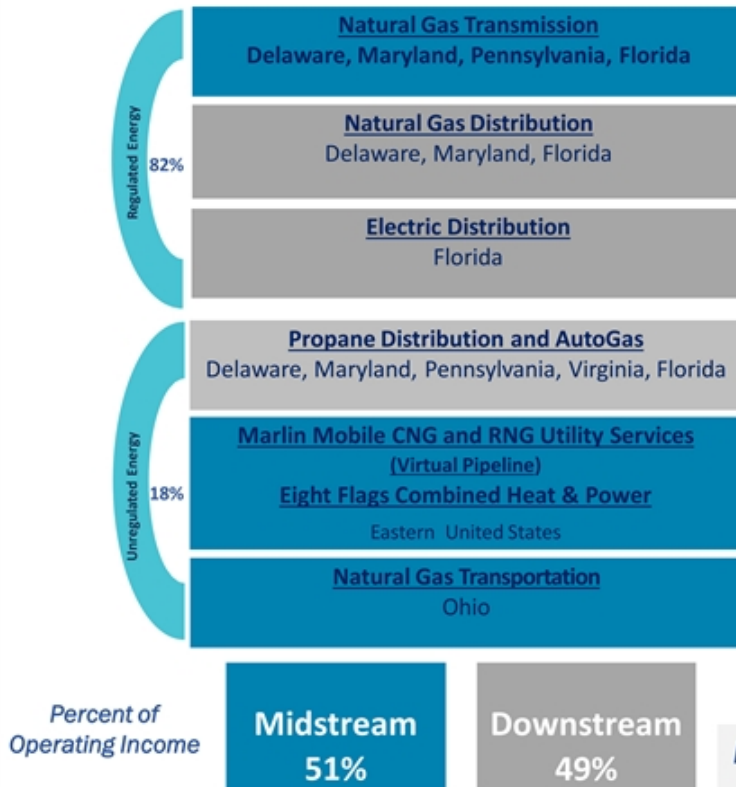
Gross Margin is determined by deducting the cost of sales from operating revenue. Cost of sales includes the purchased fuel cost for natural gas, electric and propane distribution operations and the cost of labor spent on different revenue-producing activities and excludes depreciation, amortization and accretion. Other companies may calculate gross margin in a different manner.

COVID-19 Impact

At this time, we cannot fully quantify the future impact that the Coronavirus Disease 2019 ("COVID-19") will have on the economy, and more particularly, on Chesapeake Utilities Corporation. The earnings and capital estimates we have included herein do not reflect any future estimates of the potential impact. In our 2020 results, we have provided estimates of the short-term impact of COVID-19. The Company has established regulatory assets totaling \$1.9 million associated with the net incremental expense impacts, as currently authorized by the Delaware, Maryland and Florida PSCs. We are continuing to review the various expense impacts associated with COVID-19 and will adjust these estimates, as necessary, in the future.

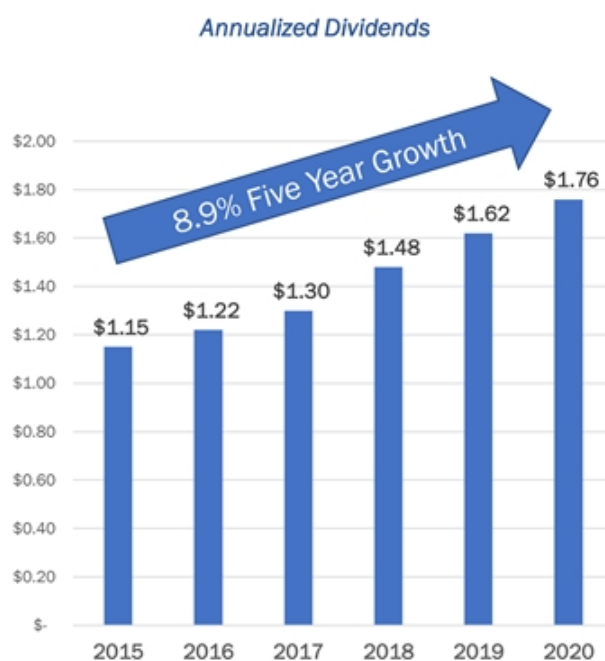
Business Overview

Diversified Energy Delivery Business



*Recent Acquisitions Complement Internal Growth
On the Delmarva Peninsula and in Florida*

Growth in Earnings Drives Dividend Growth For Periods Ended December 31st

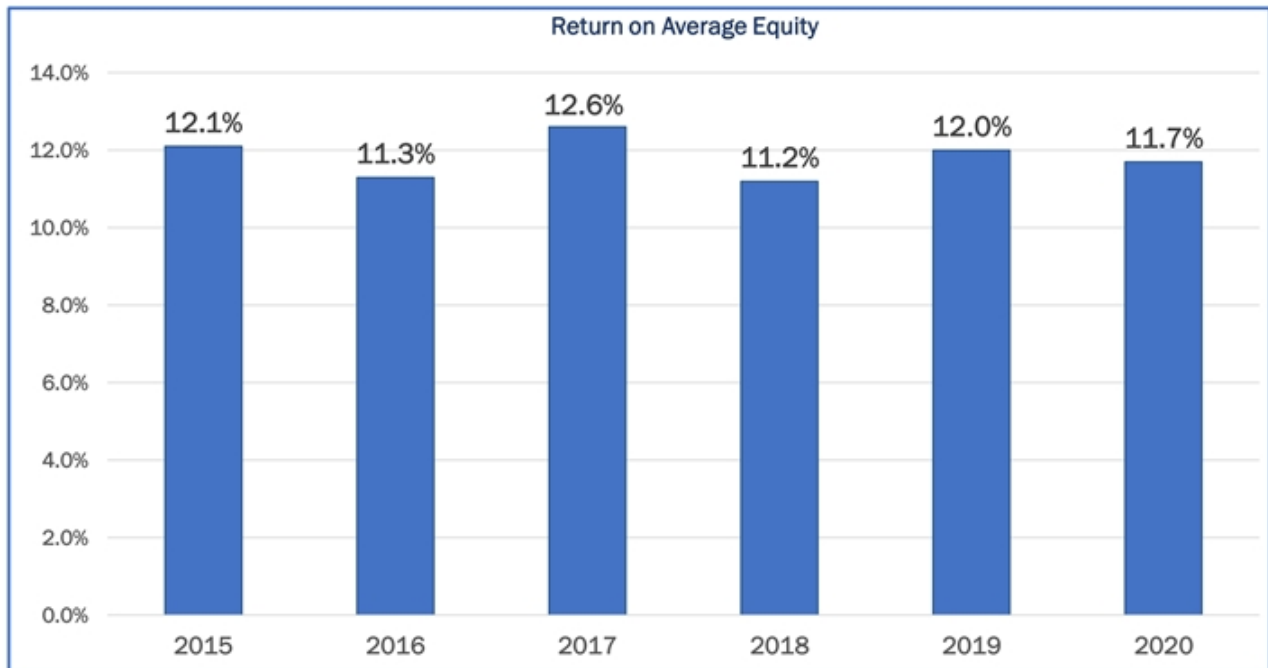


*We have generated strong earnings growth, which has enabled us to grow our recent dividends faster than our peers.
Sixty Consecutive Years of Dividend Payments!!*

* Diluted EPS based on bottom line net income.

Return on Equity

Chesapeake ROE Consistently Exceeds 11.0%



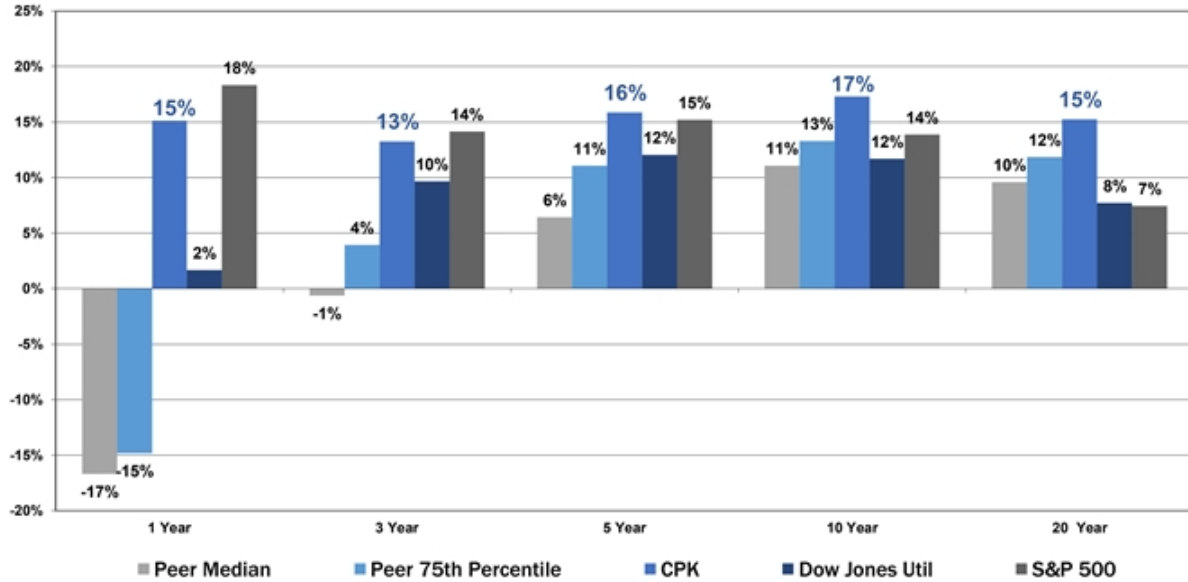
* ROE based on bottom line net income.

Total Shareholder Return Increased Performance is Driving Increased Value

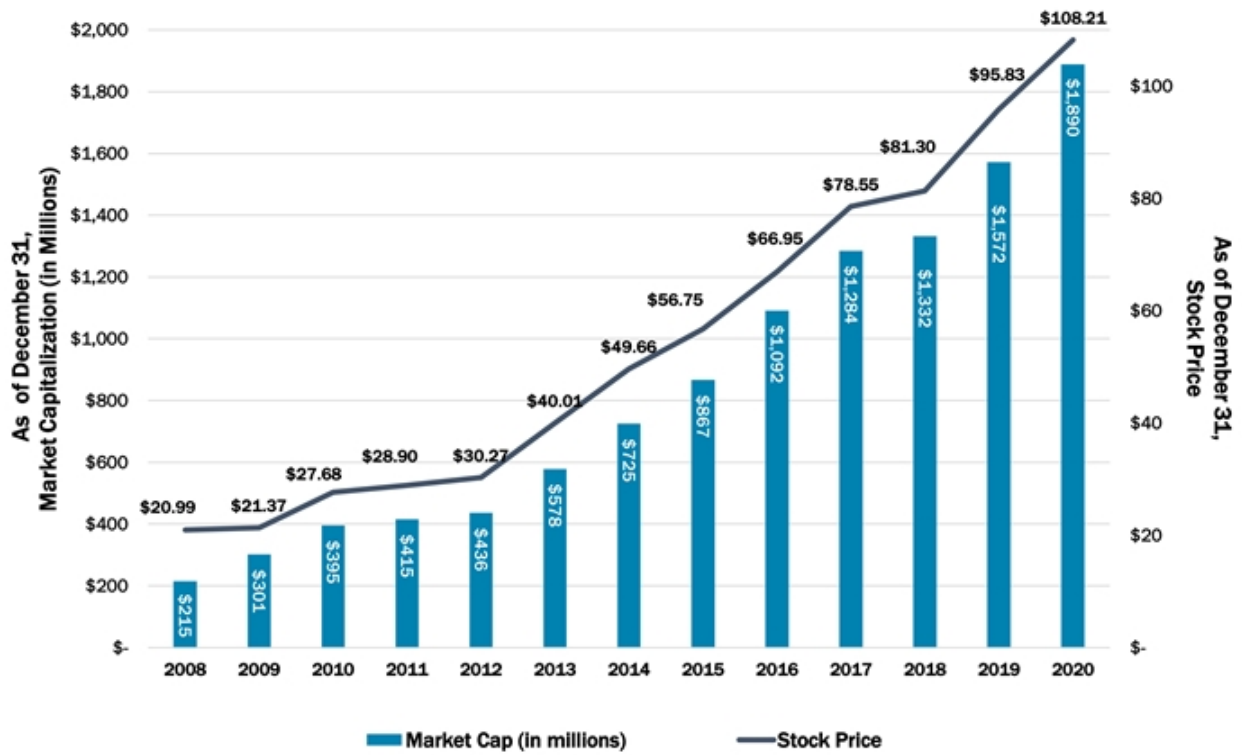
Average Annualized Shareholder Return

For Periods Ending December 31, 2020

Achieved 15 percent for 2020 and at least 13 percent for all periods!!



Market Capitalization Increased Performance is Driving Increased Value



Financial Performance 2020

Cap Ex / Average Capitalization **17.7%**

EPS Growth ⁽¹⁾ **13.2%**

Return on Equity **11.5%**

Annual Shareholder Return **15.1%**

Annualized Dividend Growth **8.6%**

Earnings Retention ⁽²⁾ **58.9%**

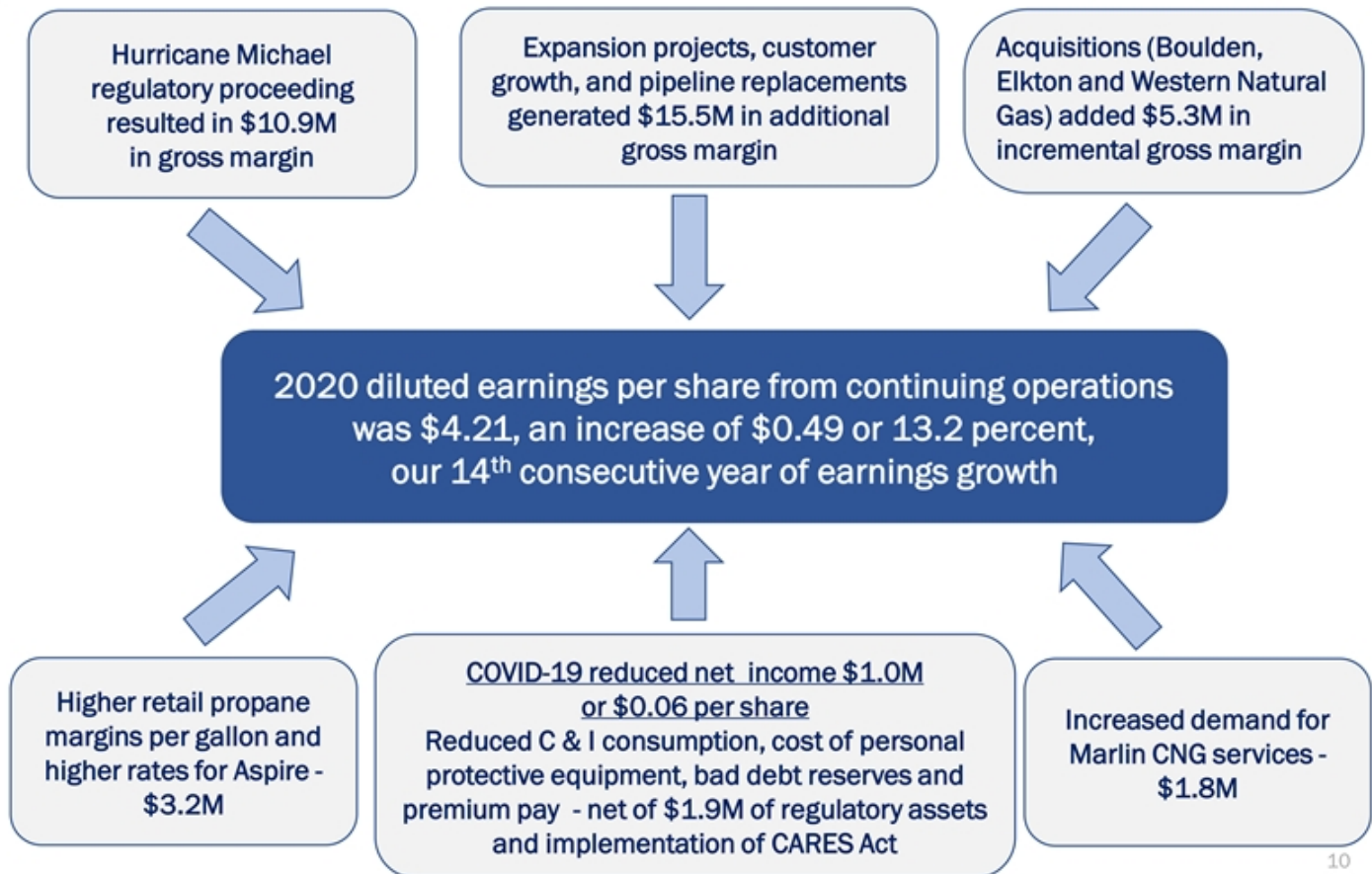
(1) Diluted EPS Continuing Operations

(2) Earnings Retention (1 - Payout Ratio)

Payout Ratio = Dividends Declared / Diluted EPS Continuing Operations

Our financial performance is driven by the entrepreneurial spirit of our employees as we consistently deliver safe, secure and reliable energy service.





2020 Business Highlights

Many Significant Accomplishments Across the Company

- Invested \$196M in capital expenditures that will drive our future earnings growth, including completion of several key pipeline projects
- Responded to increased customer demand for natural gas in our services, recognizing 5.3% and 4.1% percent customer growth on Delmarva and Florida, respectively
- Completed three acquisitions and integrated them seamlessly into the CPK organization
- Delivered on increased demand for CNG services from Marlin Gas Services
- Announced three RNG projects that are in various stages of construction and development
- Executed a settlement agreement approved by the Florida regulatory for the recovery of Hurricane Michael capital investments and expenses
- Managed our expenses across the Company to offset pandemic costs
- Accelerated a business transformation process to address the organizational and technology enhancements that will support our continued growth
- Continued Top Workplace Recognition in Delaware and Florida in addition to earning the inaugural 2021 Top Workplaces USA award for mid-size companies

Chesapeake Utilities Looking Forward 2021 – 2025 Strategic Growth Initiatives

Key 2021-2025 Strategic Initiatives

Optimize the earnings potential in our existing businesses through growth and business transformation

Pursue interstate and intrastate transmission projects

Further expansion of our propane business

Expand Marlin Gas Services Virtual Pipeline Business (CNG, RNG, LNG)

Renewable Natural Gas (RNG) opportunities and other clean energy opportunities across the CPK Value Chain

Chesapeake Utilities “Special Sauce”

The key to our success is a strong culture that fully engages all of our team members across the organization as we transform this business for continued growth.

CPK's Renewable Natural Gas Proposition Presents Multiple Investment Opportunities

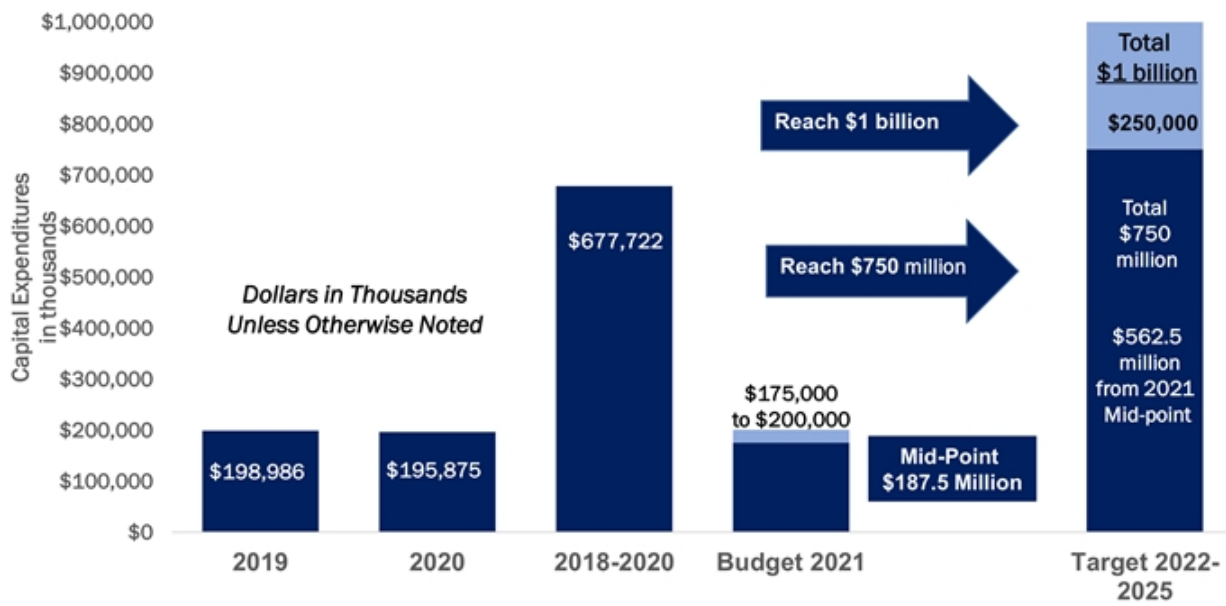
	Marlin Gas Transport	Transmission Pipeline Operations	Distribution Operations LDC Customers
Investment Opportunity	Additional transportation equipment	Interstate pipeline interconnects	Potential investment in gas processing equipment
Regulatory Actions	N/A Unregulated Gas Transport	Tariff changes made by ESNG. PPC filing to be done in the future.	No tariff changes initially Potential Rate Base Investment
Long-term Value	Multi-year contracts to transport gas	Multi-year contracts.	Multi-year contracts for processing and receipt of gas.

CPK RNG Initiatives:

Bioenergy DevCo - Poultry Waste (Delaware)
CleanBay Renewables – Chicken Litter (Maryland)
Fortistar - Waste Recycling (Ohio)

Seeking Other Development Opportunities, including in Florida and Georgia

Capital Investment Guidance Continued Record Investment in Our Business Growth



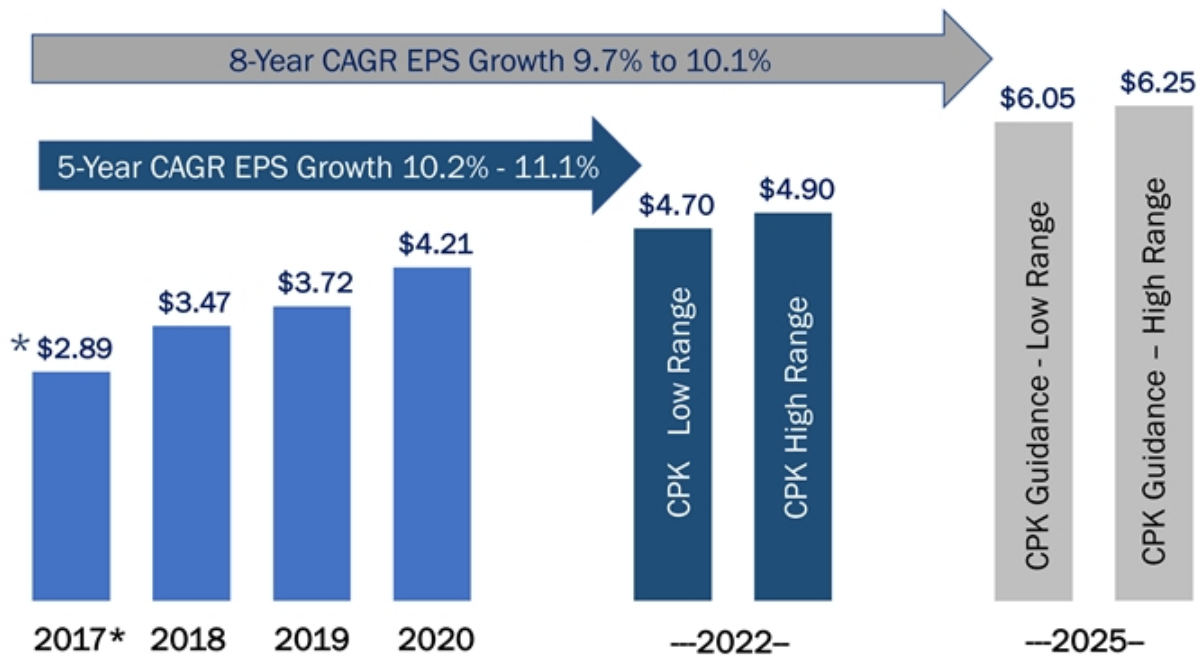
Management provides its five year capital expenditure guidance 2021 thru 2025 up to \$1 billion.

*2021 Capital Budget range of \$175 million to \$200 million

We will continue to update this forecast as we move through the year, including new project developments, and any capital deployment delays resulting from COVID-19.

Diluted Earnings per Share Guidance Continuing Operations

Strategic Capital Investments
Continue to Drive Earnings Growth



*2017 Adjusted for TCJA Impact

Diluted Earnings per Share from Continuing Operations

Capital Expenditures Forecast for 2021

(dollars in thousands)

Regulated Energy:

Natural gas distribution
Natural gas transmission
Electric distribution
Total Regulated Energy

Unregulated Energy:

Propane distribution
Energy transmission
Other unregulated energy
Total Unregulated Energy

Other:

Corporate and other businesses

Total Capital Expenditures

Forecast 2021			
Low		High	
\$	79,000	\$	85,000
	55,000		60,000
	9,000		13,000
	143,000		158,000
	82%		79%
	9,000		12,000
	14,000		15,000
	8,000		12,000
	31,000		39,000
	1,000		3,000
\$	175,000	\$	200,000

2021 Mid-Point Forecast \$187.5 million

For the four years ended December 31, 2021, the Company will have invested \$865 million based on the 2021 mid-point - 86.5% of the five year forecast of \$1 billion.

- We take seriously our responsibility to be a good and trusted corporate citizen, and doing all we can to contribute to greater sustainability and societal advancement.
- For more than 160 years, we have delivered affordable and sustainable energy solutions that respond to the evolving needs of our customers and the communities we serve.
- We are committed to ensuring that safety, equity, diversity and inclusion are at the center of our culture.
- Each and every day, we proudly deliver essential, safe, reliable, affordable, sustainable and efficient energy solutions to our customers in Florida, Ohio and across the Delmarva Peninsula.
- We are committed to sustainable growth with financial discipline that generates long-term value for our stakeholders.
- Our success rests on the strength and dedication of our team, our diverse, inclusive and collaborative culture, and our award-winning corporate governance practices, all of which contributed to our strong financial performance in 2020.

C

Co-sponsor of the Black History Month campaign in Delaware and Maryland

Companywide all employee calls with our President and CEO

Corporate safety meetings and quarterly safety newsletter

Committed to lower carbon emissions across our service territories

Challenge to take 6,500 steps per day with our Black Employees Resource Group

Celebrating being named a 2021 Top Workplaces USA winner for mid-size companies

P

Pledge of \$100,000 for the construction of a new YMCA community center in Delaware

Promoting cultural significance and employee awareness of the 2021 Chinese New Year

Positive change through the 2021 Delaware Racial Equity & Social Justice Challenge (*United Way of Delaware and YWCA Delaware*)

Promoting the American Heart Association's Go Red for Women initiative

Part of the energy solution, proudly delivering sustainable solutions

K

Key employee resource groups that foster a diverse and inclusive workplace

Kerosene, coal, oil and wood burning appliances and industrial equipment have been converted to cleaner energy solutions delivered by CPK and its subsidiaries

Known Black History Facts sent to employees

Kick-off of 2021 Hidden Heroes through our Women in Energy program

Key literary messaging and sharing of diverse perspectives in our 2021 Women in Energy Book Club

Keeping our assets and communities safe – See Something, Say Something education session

This list is provided for informational purposes only and does not purport to be exhaustive.

We seek to identify and develop opportunities to drive our future earnings growth and increase shareholder value.

- Capitalizing on new organic growth and operational efficiencies
- Investing in pipeline systems that provide natural gas service to downstream customers
- Identifying propane opportunities to access new markets with significant growth potential
- Pursuing virtual pipeline opportunities given Marlin capabilities (CNG, LNG, RNG)
- Expanding our RNG footprint through multiple channels throughout our service areas
- Investing in our diverse talented team
- Engaging with communities where we work and live
- Driving brand excellence through safety awards, top workplace, employee engagement and community service

Strong Foundation for Growth:

- Track Record
- Energized Team
- Financial Discipline
- Platforms for Growth

Financial Objectives in Support of Increased Shareholder Value:

- Investing \$750 million to \$1 billion through 2025
- Targeting 2025 EPS \$6.05 to \$6.25
- Seeking 11.0% or higher consolidated return on equity
- Pursuing dividend growth supported by earnings growth
- Maintaining a strong balance sheet

Driven By **Energy**

Chesapeake Utilities Corporation

Thank You

Commitment
Growth
Leadership
Safety
Sustainability
Solutions

Strength
Team
Service
Performance
Community
Value

Driven By **Energy**

Appendix

2020 Financial Performance

Commitment
Growth
Leadership
Safety
Sustainability
Solutions

Strength
Team
Service
Performance
Community
Value

Financial Summary

Income from Continuing Operations and GAAP Income

For the periods ended December 31, 2020 and 2019
 (in thousands except per share amounts)

(in thousands except per share data)

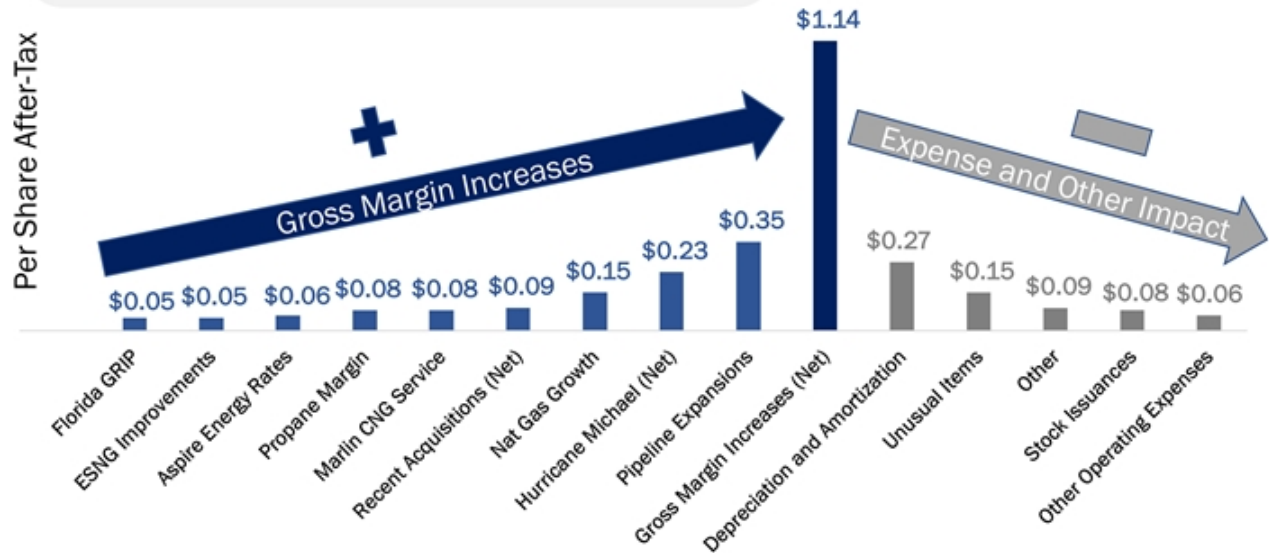
	Fourth Quarter		Annual	
	2020	2019	2020	2019
Operating Income	\$ 35,206	\$ 29,641	\$ 112,723	\$ 106,285
Other Income (Expense), Net	224	(1,117)	3,222	(1,847)
Interest Charges	6,313	5,641	21,765	22,224
Income From Continuing Operations Before Income Taxes	29,117	22,883	94,180	82,214
Income Taxes on Continuing Operations	7,456	5,760	23,538	21,114
Income from Continuing Operations	21,661	17,123	70,642	61,100
Income (loss) from Discontinued Operations, Net of Tax	691	5,441	856	4,053
Net Income	<u>\$ 22,352</u>	<u>\$ 22,564</u>	<u>\$ 71,498</u>	<u>\$ 65,153</u>
Diluted EPS from Continuing Operations	\$1.24	\$1.04	\$4.21	\$3.72
Diluted EPS	\$1.28	\$1.37	\$4.26	\$3.96

Key Drivers of Our Performance

Key Variances for 2020 Compared to 2019

Earnings per share after-tax increased 13.2% or \$0.49 to \$4.21 from \$3.72

• Gross Margin (Net)	\$19.4M	\$1.14	EPS after-tax
• Depreciation and Amortization	(\$ 4.6M)	(\$0.27)	EPS after-tax
• Net Unusual items	(\$ 2.5M)	(\$0.15)	EPS after-tax
• Other (Net)	(\$ 1.7M)	(\$0.09)	EPS after-tax
• Stock Issuances		(\$0.08)	EPS after-tax
• Operating expenses (Net)	(\$ 1.0M)	(\$0.06)	EPS after-tax



Diluted Earnings per Share – Recent Acquisitions and Hurricane Michael margins are shown net of expenses, with (\$0.08) per share diluted from increased share count from 2020 equity offerings

Capital Structure Overview

Strong Balance Sheet to Support Growth

	12/31/2019	12/31/2020
Stockholders' equity	\$ 561,577	\$ 697,085
Long-term debt, net of current maturities	440,168	508,499
Total permanent capitalization	\$ 1,001,745	\$ 1,205,584
Current portion of long-term debt	45,600	13,600
Short-term debt (including Revolver)	247,371	175,644
Total capitalization and short-term financing	\$ 1,294,716	\$ 1,394,828
Equity to Permanent Capital	56.1%	57.8%
Equity to Total Capitalization	43.4%	50.0%
New Long-Term Debt Issuance	\$ 170,000	\$ 90,000
Net New Equity Issuance - Stock Plans and ATM	\$ 3,615	\$ 89,700

Achieved our
target
equity range

- Issued \$89.7 million equity thru ATM and Various Stock Plans
- Issued \$90 million new LT Debt at 2.98%
- Established \$375 million bank facility
- Renewed and expanded LT Debt shelf facilities - \$310 million available

Key Expansion Projects

Pipeline Growth and Margin Contribution

Project	Capital Investment	Fully In-Service	Annual Gross Margin Estimate
West Palm Beach County	\$24.6 million	2021 Second Quarter	\$5.2 million
Del-Mar Energy Pathway	\$49.3 million	2021 Fourth Quarter	\$6.7 million
Auburndale Project	\$3.0 million	2020 First Quarter	\$0.7 million
Callahan Pipeline (JV)	\$33.5 million CPK 50%	2020 Second Quarter	\$7.6 million
Guernsey Power Station	\$5.4 million	2021 Fourth Quarter	\$1.5 million
Total Pipeline Project Investments of \$116 million generates incremental gross margin of \$21.7 million, including distribution margin currently identified with the project.			

Major Projects and Initiatives

(in thousands)	Gross Margin for the Period			
	Year Ended December 31,		Estimate for Fiscal	
	2019	2020	2021	2022
Pipeline Expansions:				
Western Palm Beach County, Florida Expansion	\$ 2,139	\$ 4,167	\$ 4,984	\$ 5,227
Del-Mar Energy Pathway	731	2,462	4,385	6,708
Auburndale	283	679	679	679
Callahan Intrastate Pipeline	—	3,851	7,564	7,564
Guernsey Power Station	—	—	514	1,486
Total Pipeline Expansions	3,153	11,159	18,126	21,664
CNG Transportation	5,410	7,231	7,900	8,500
RNG Transportation	—	—	1,000	1,000
Acquisitions:				
Boulder Propane	329	3,900	4,200	4,409
Elkton Gas	—	1,344	3,992	4,200
Western Natural Gas	—	389	1,800	1,854
Total Acquisitions	329	5,633	9,992	10,463
Regulatory Initiatives:				
Florida GRIP	13,939	15,178	16,739	17,712
Hurricane Michael regulatory proceeding	—	10,864	11,014	11,014
Capital Cost Surcharge Programs	—	—	1,500	3,000
Total Regulatory Initiatives	13,939	26,042	29,253	31,726
Total	\$ 22,831	\$ 50,065	\$ 66,271	\$ 73,353
Annual Increases (000's)				
Total Increases		\$27,234	\$16,206	\$7,082
				\$50,522