

Chesapeake Utilities Corporation

Driven By **Energy**

Bank of America
Gas Utility Conference
December 1, 2020

Commitment
Growth
Leadership
Safety
Sustainability
Solutions

Strength
Team
Service
Performance
Community
Value

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' 2019 Annual Report on Form 10-K, the Form 10-Q for the quarter ended September 30, 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.

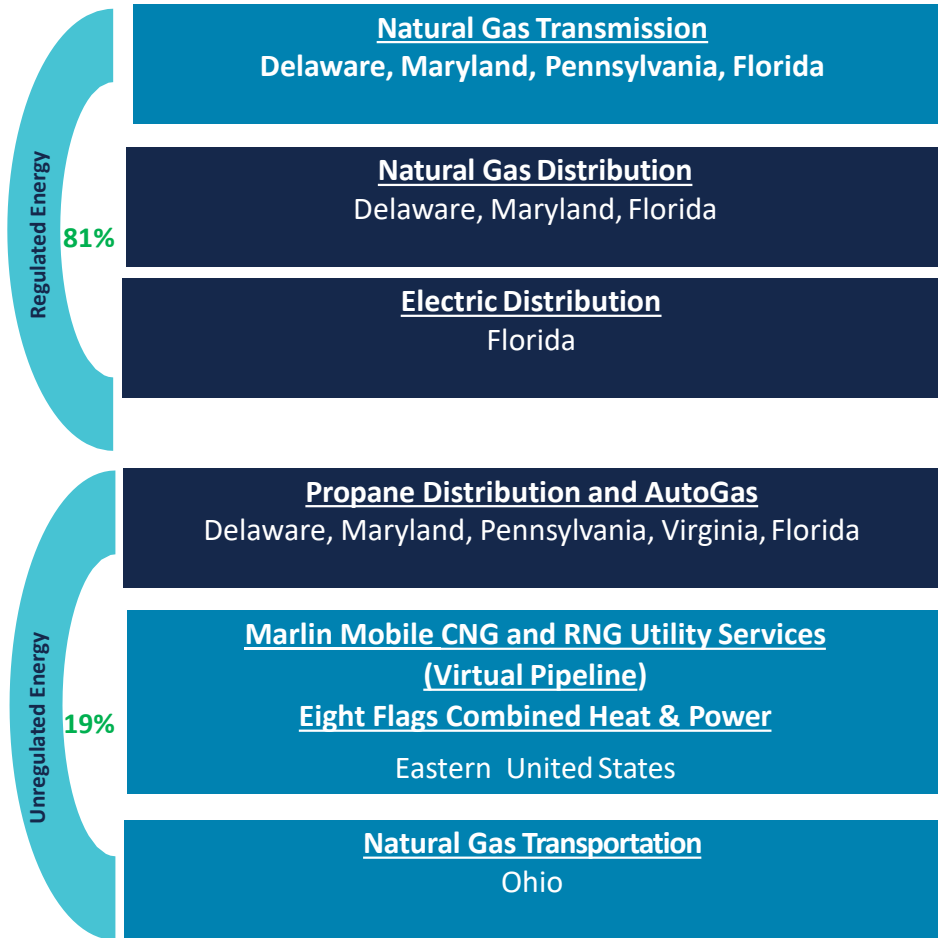
COVID-19 Impact: At this time, we cannot fully quantify the future impact that the Coronavirus Disease 2019 ("COVID-19") will have on the economy, and more particularly, on Chesapeake Utilities Corporation. The earnings and capital estimates we have included herein do not reflect any future estimates of the potential impact. For the third quarter and year-to-date we have provided estimates of the short-term impact of COVID-19. The Company is continuing to assess recoverability and to date has not established regulatory assets associated with the incremental expense impacts, as currently authorized by the Delaware, Maryland and Florida PSCs. As we gain further clarity on the future impacts caused by COVID-19, including the impact on our projected gross margin, EPS estimates, timing of capital expenditures, etc., we will update our guidance accordingly.

Financial Performance



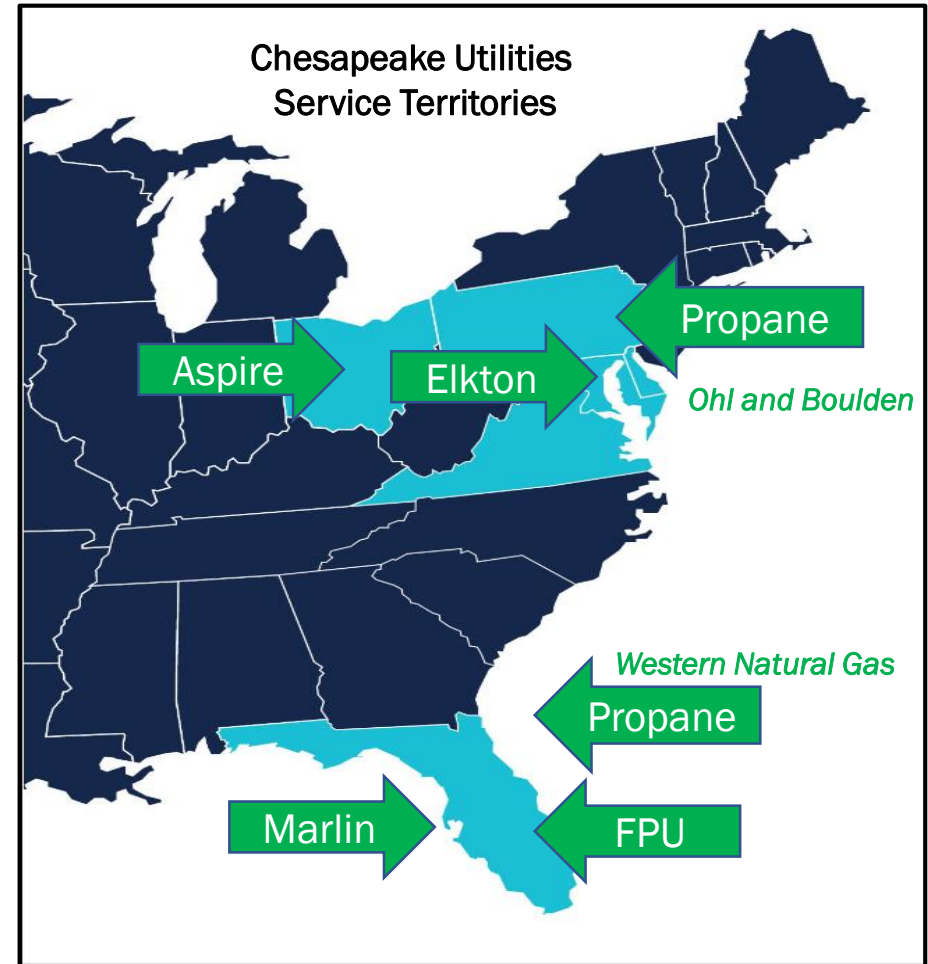
Business Overview

Diversified Energy Delivery Business



Midstream
38%

Downstream
62%

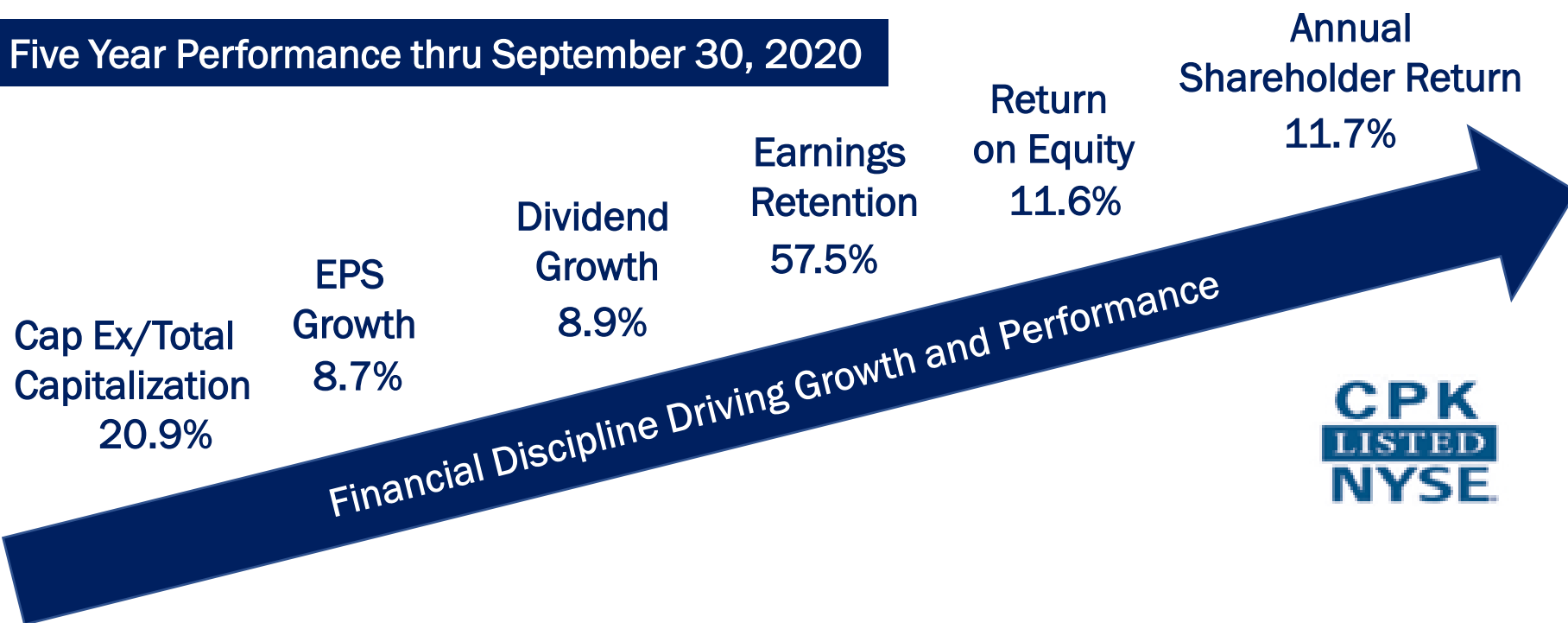


*Recent Acquisitions Complement Internal Growth
On the Delmarva Peninsula and in Florida*

Our successful track record of performance is driven by the entrepreneurial spirit of our employees as we consistently deliver safe, secure, reliable and efficient service and energy solutions that are environmentally and economically smart.

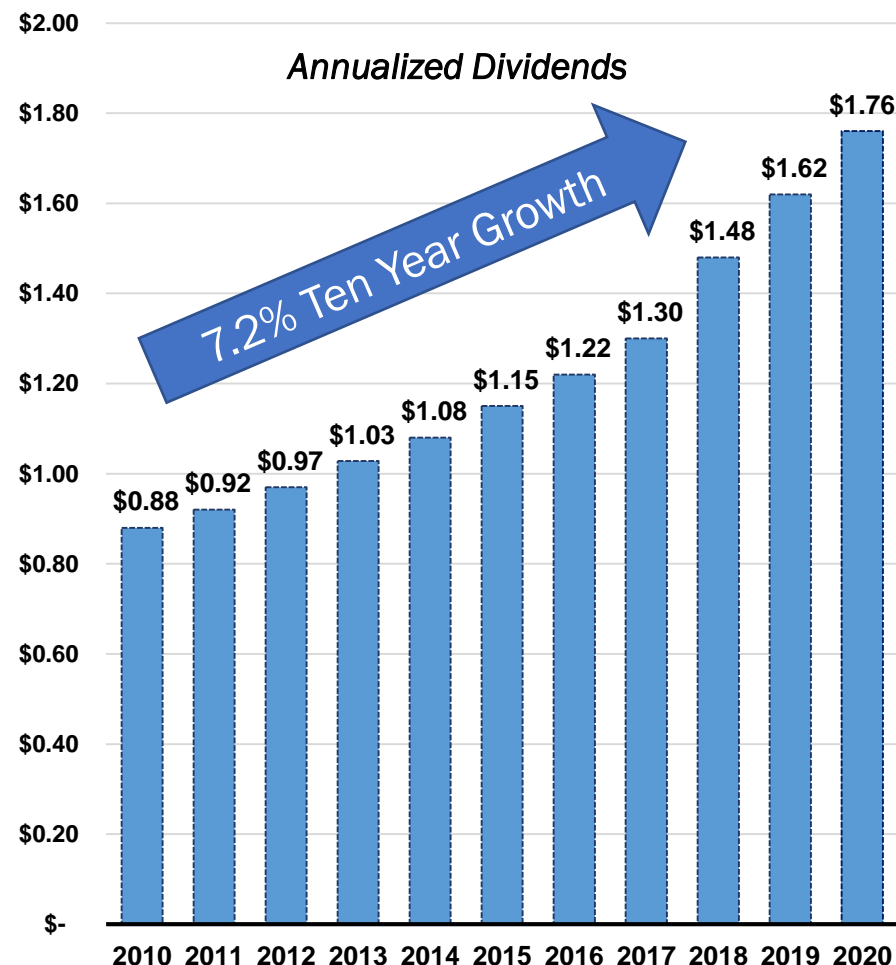
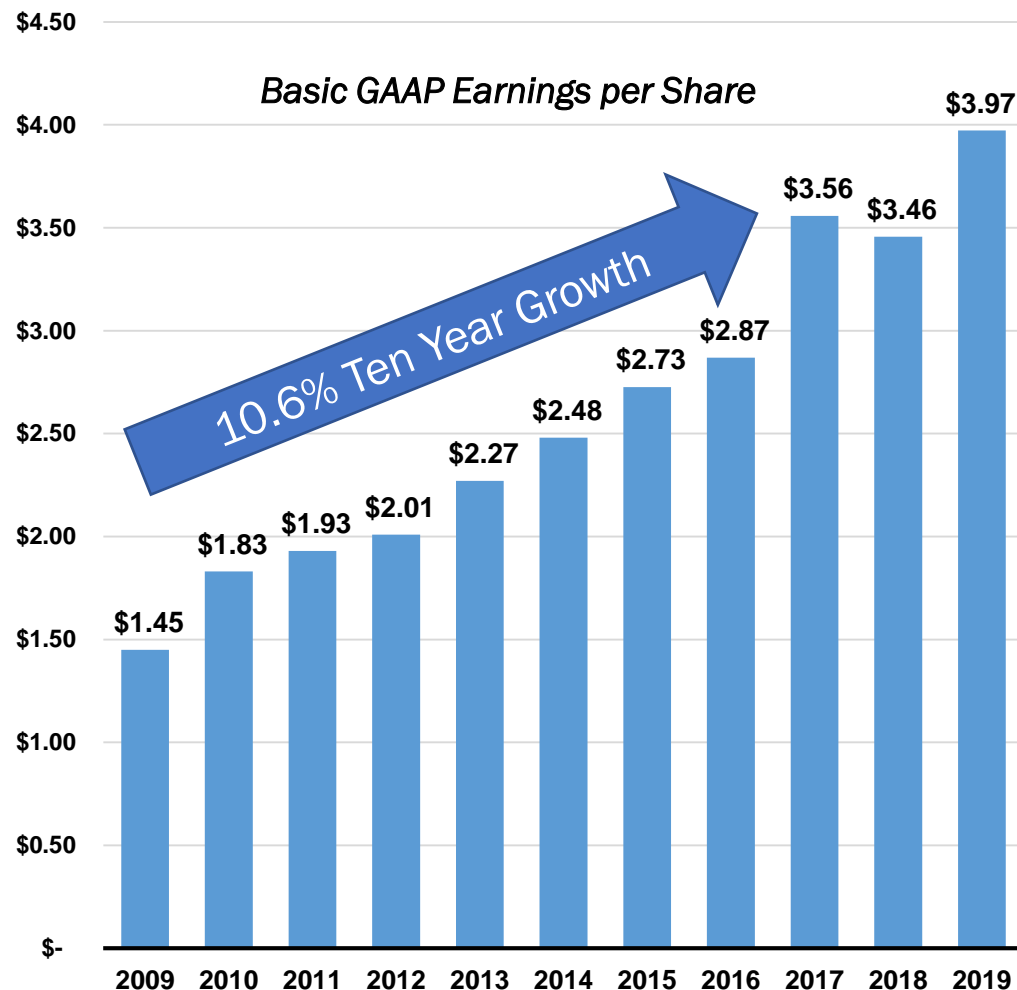


Five Year Performance thru September 30, 2020



Growth in Earnings Drives Dividends Growth

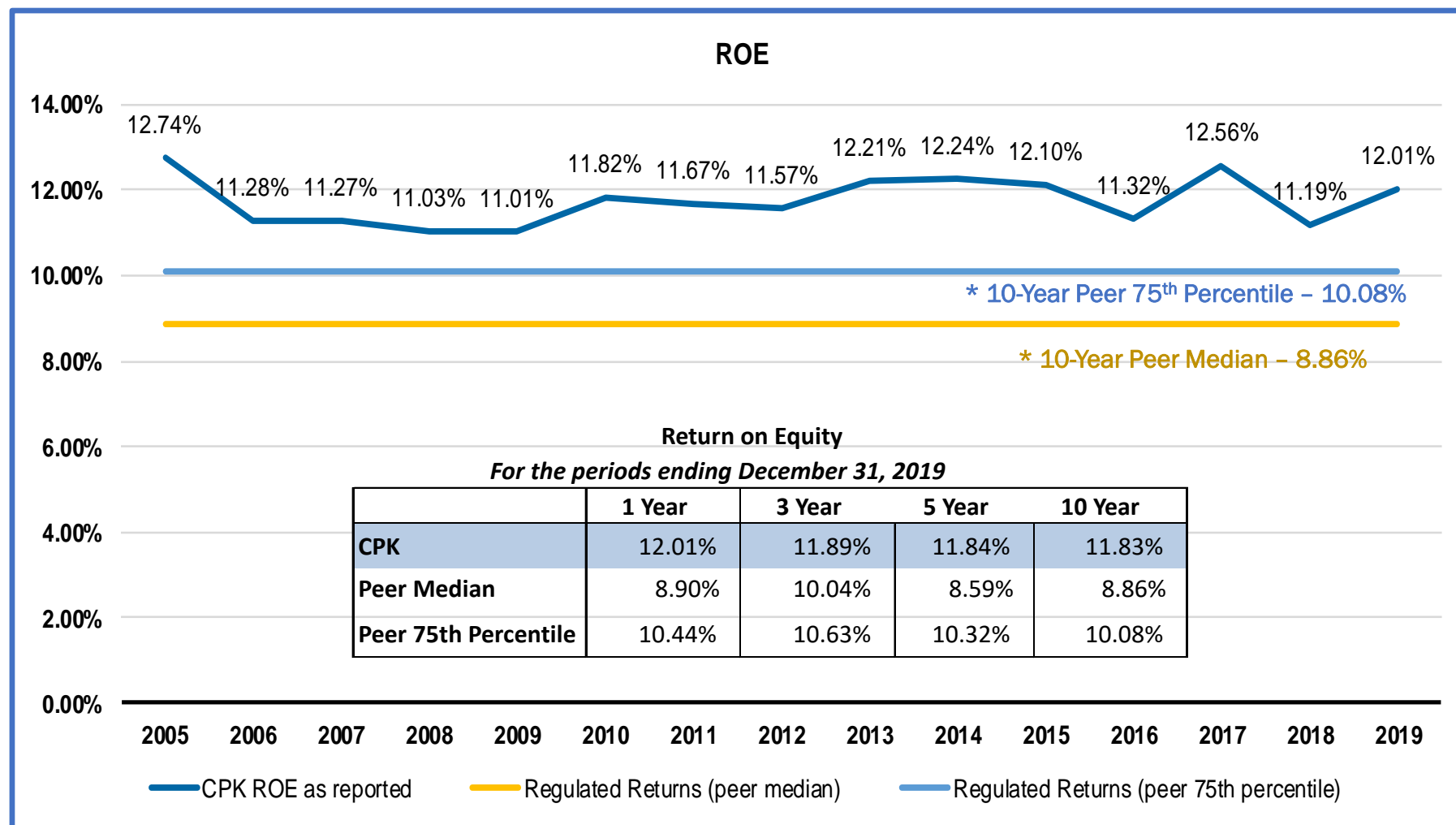
For Periods Ended December 31st



*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!!*

Return on Equity

Chesapeake ROE Consistently Exceeds the Peer Median and 75th Percentile

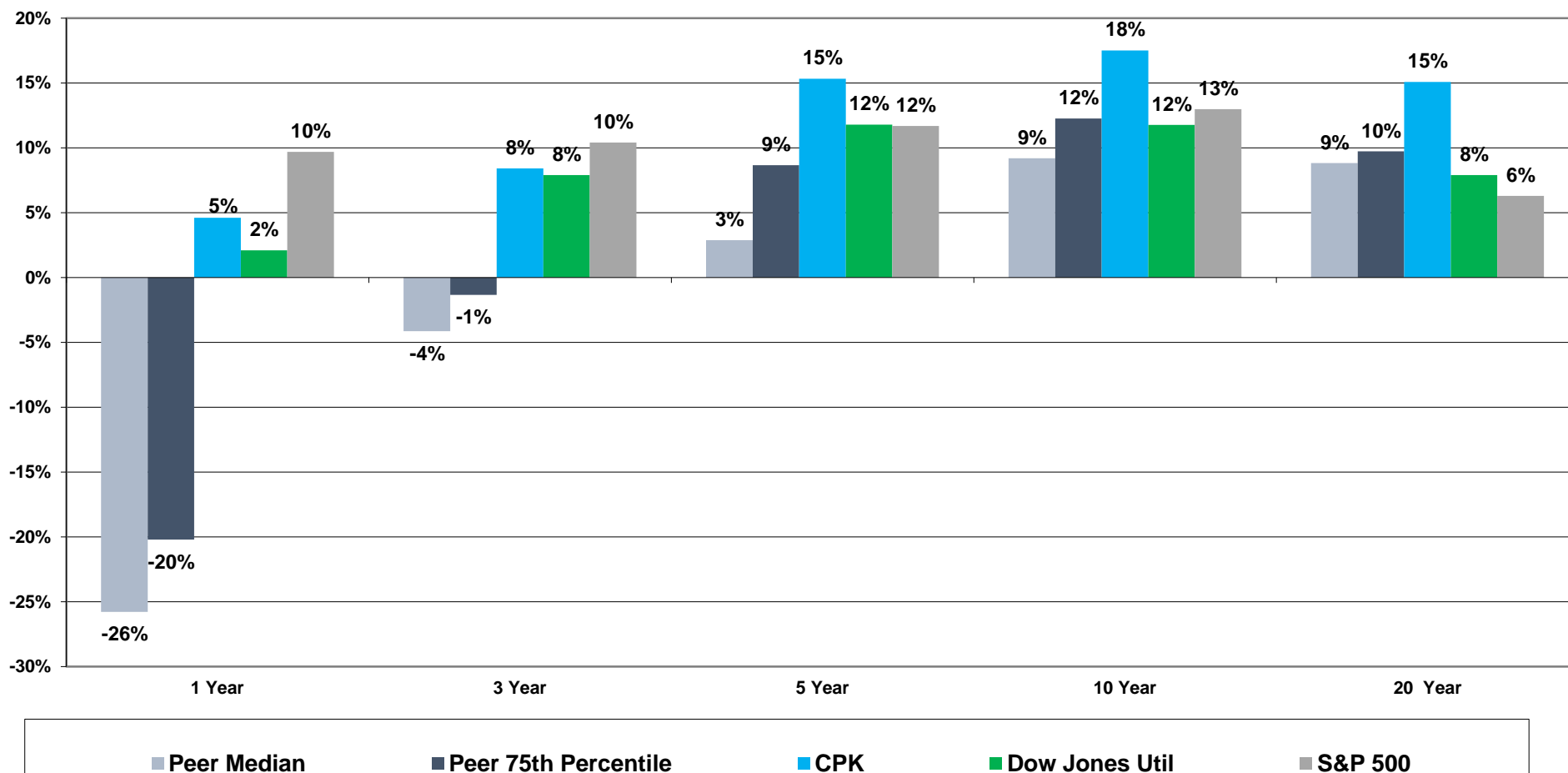


* Normal Comparative Peer Group

Total Shareholder Return

Increased Performance is Driving Increased Value

TSR - Annualized CPK Shareholder Returns Against Performance Peer Group
for Periods Ending 10/31/2020



Financial Metrics Performance

Increased Performance is Driving Increased Value

Performance Metrics	Chesapeake Results				Chesapeake Percentiles compared to Performance Peer Group			
<i>For periods ending 09/30/20 unless otherwise noted</i>	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
Capital Expenditures / Total Capitalization	12.9%	20.2%	20.9%	21.1%	68.9%	100.0%	100.0%	100.0%
Earnings Per Share Growth (CAGR)	18.9%	17.4%	8.7%	9.2%	86.7%	89.8%	65.3%	87.8%
Return on Equity	12.4%	12.2%	11.6%	11.8%	100.0%	100.0%	100.0%	100.0%
Dividends Per Share Growth (CAGR)	8.6%	10.6%	8.9%	7.2%	93.5%	100.0%	90.9%	100.0%
Earnings Retention Ratio	59.5%	59.4%	57.5%	56.3%	89.3%	100.0%	100.0%	100.0%
Shareholder Return (CAGR) <i>for the period ended 10/31/2020</i>	4.6%	8.4%	15.3%	17.5%	100.0%	100.0%	100.0%	100.0%
Performance Metrics	Peer Median Performance				Peer 75th Percentile Performance			
<i>For periods ending 09/30/20 unless otherwise noted</i>	1 Year	3 Year	5 Year	10 Year	1 Year	3 Year	5 Year	10 Year
Capital Expenditures / Total Capitalization	11.6%	12.5%	12.9%	14.0%	13.6%	13.6%	14.8%	16.8%
Earnings Per Share Growth (CAGR)	-4.3%	3.1%	1.0%	5.4%	10.5%	10.3%	10.0%	7.6%
Return on Equity	8.1%	9.1%	8.4%	7.7%	8.7%	9.9%	9.6%	9.8%
Dividends Per Share Growth (CAGR)	5.0%	5.9%	5.1%	4.7%	6.0%	6.4%	6.4%	5.6%
Earnings Retention Ratio	32.5%	37.6%	34.7%	27.5%	44.5%	41.4%	38.1%	34.6%
Shareholder Return (CAGR) <i>for the period ended 10/31/2020</i>	-25.8%	-4.1%	2.9%	9.2%	-20.2%	-1.3%	8.7%	12.3%
Top Quartile								
Above Median								

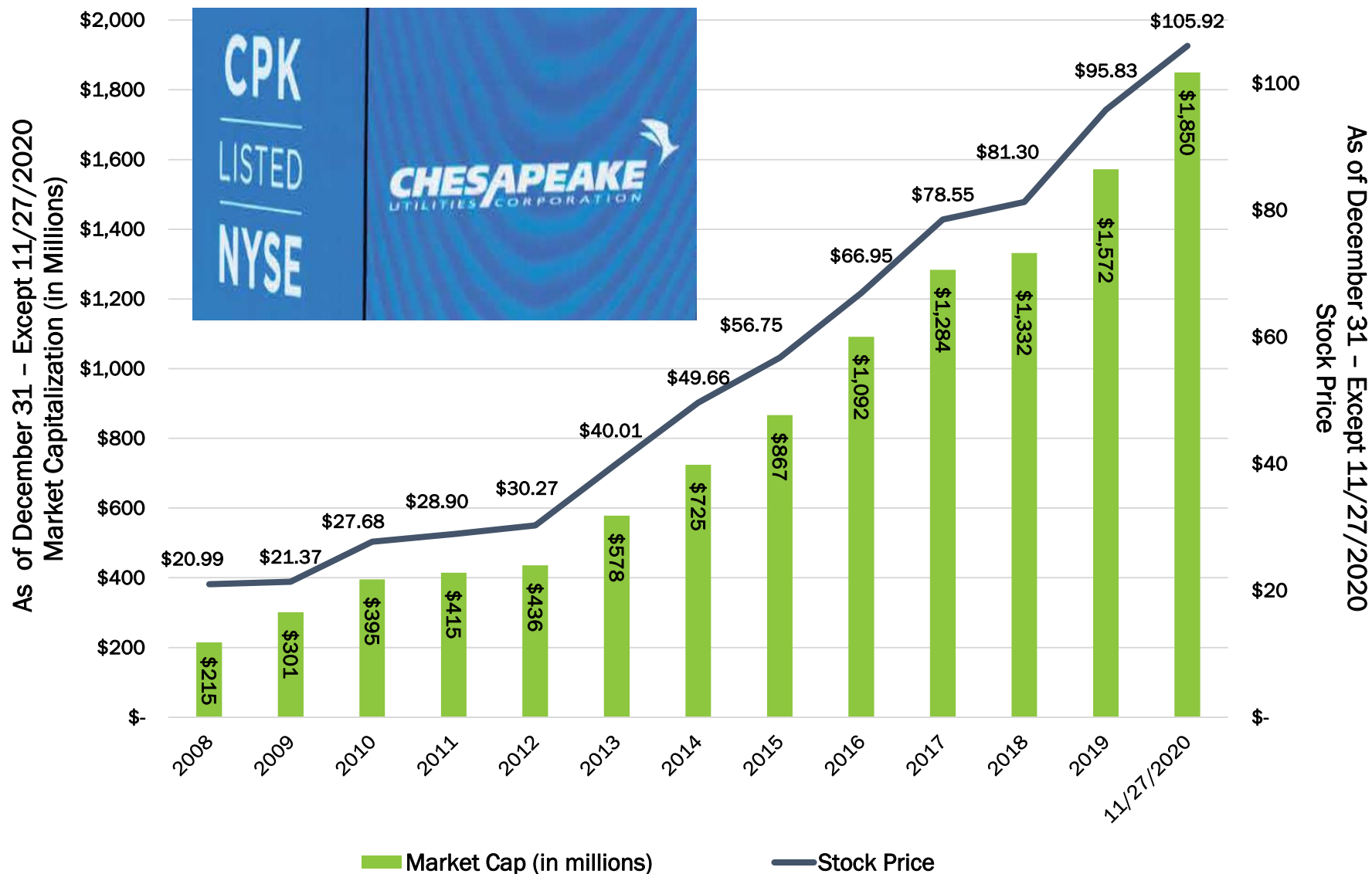
CPK is in the top quartile for 22/24 metrics (92%) and above the median for 24/24 metrics (100%).

Source: Bloomberg

Note: NJR performance as of 9/30/20 not yet posted in Bloomberg

Market Capitalization

Increased Performance is Driving Increased Value



Strategic Vision



Our Corporate Culture

Our successful track record of performance is driven by the entrepreneurial spirit of our employees as we consistently deliver safe, secure, reliable and efficient services and energy solutions that are economically smart.

- ***Engaged employees contributing every day***
- ***Focused on creative customer driven energy solutions***
- ***Collaborative relations with Utility PSC Regulators to best serve communities***
- ***Strategic thinking to develop growth projects***
- ***Investing in our future with financial discipline to achieve long-term results***
- ***Provide consistent above average returns to our investors***
- ***Sound corporate governance principles and high standards of ethical conduct***
- ***A diverse and high-performance workforce to lead and contribute***
- ***Conduct business with environmental responsibility***

- We are a responsible company that promotes integrity, accountability and reliability, with the safety of those we serve as our highest priority.
- The key to our success is our strong culture that fully engages all of our team members across the organization.
- Our Equity, Diversity and Inclusion Council promotes our culture -- everyone matters, every day.
- Our Employee Resource Groups celebrate, honor and share the unique experiences among our team members and create a forum for collaboration and innovation that contributes to our strategic growth.
- We are committed to providing safe, reliable, sustainable and efficient energy solutions to customers.
- Our corporate governance is the foundation of our processes and our decision-making throughout the Company, beginning with our Board of Directors and extending to every employee.
- We continue to cultivate the Chesapeake Utilities' sustainability story.

CHESAPEAKE UTILITIES NAMED TOP WORKPLACE FOR NINTH CONSECUTIVE YEAR

Each employee at Chesapeake Utilities is a valued member of our team, bringing diverse and inclusive perspectives to help achieve our goals. The Company continues to promote the growth and development of its employees, including the strategic thinking and creative energy that are integral to our success. We are honored to work alongside our employees who continue to rise to the occasion, evident even more throughout our Company's COVID-19 pandemic response.



World Mental Health Day 2020

Energy Efficiency Day 2020

Women in Energy

Safety Practices and Security Tips

#GASisKey...and so are you.

NEW OHIO-BASED RENEWABLE FUEL PROJECT AIMS TO CAPTURE THE EQUIVALENT OF NEARLY 50K TONS OF CARBON TO DISPLACE DIESEL AND FUEL 725 BIOFUEL TRUCKS

Fortistar, Rumpke Waste & Recycling and Chesapeake Utilities Corporation Announce \$33 Million Project to Address Global Climate Change. The project will extract and capture waste methane from the Noble Road landfill in Ohio and transform it into Renewable Natural Gas.

CHESAPEAKE UTILITIES CORPORATION PARTNERS WITH ATLANTA GAS LIGHT TO BUILD CNG FILLING STATION AT PORT OF SAVANNAH

The station aligns with our ongoing commitment to environmental responsibility by supplying clean-burning natural gas to fuel vehicles and making it available to customers with limited access to natural gas. CNG-powered vehicles produce lower emissions than gasoline and diesel vehicles, reducing greenhouse gas emissions by up to 30%, and nitrogen oxide emissions by 85%.

Culture of Sustainability

Our businesses embrace the Company's culture of sustainability where progress creates value.

- Conservation program to help customers reduce energy costs and receive energy-saving products and programs
- Modern pipeline infrastructure with zero miles of cast iron
- Invested \$144 million in Gas Reliability and Infrastructure Project
- Own and operate Eight Flags, one of the most energy efficient combined heat and power plants (CHP) which displaced reliance on coal
- Own a virtual pipeline, Marlin Gas Service, providing energy solutions to customers across the nation
- Community Gas Systems, an efficient community-based underground infrastructure
- Alternative energy vehicles and fueling stations (e.g., AutoGas and CNG)
- We have successfully replaced millions of gallons of No. 2, 4 and 6 fuel oil
- LNG and RNG opportunities

1. Optimize the earnings growth in our existing business

- Pursue organic growth, territory expansions, and new products and services, as well drive increased opportunities for collaboration and efficiencies

2. Pursue interstate and intrastate transmission projects

- Growth opportunities across Delmarva, Florida and Ohio

3. Expand Marlin Gas Services fuel transport business

- Expand services to include LNG and RNG, methane capture, geographic expansion

4. Further expansion of our propane business

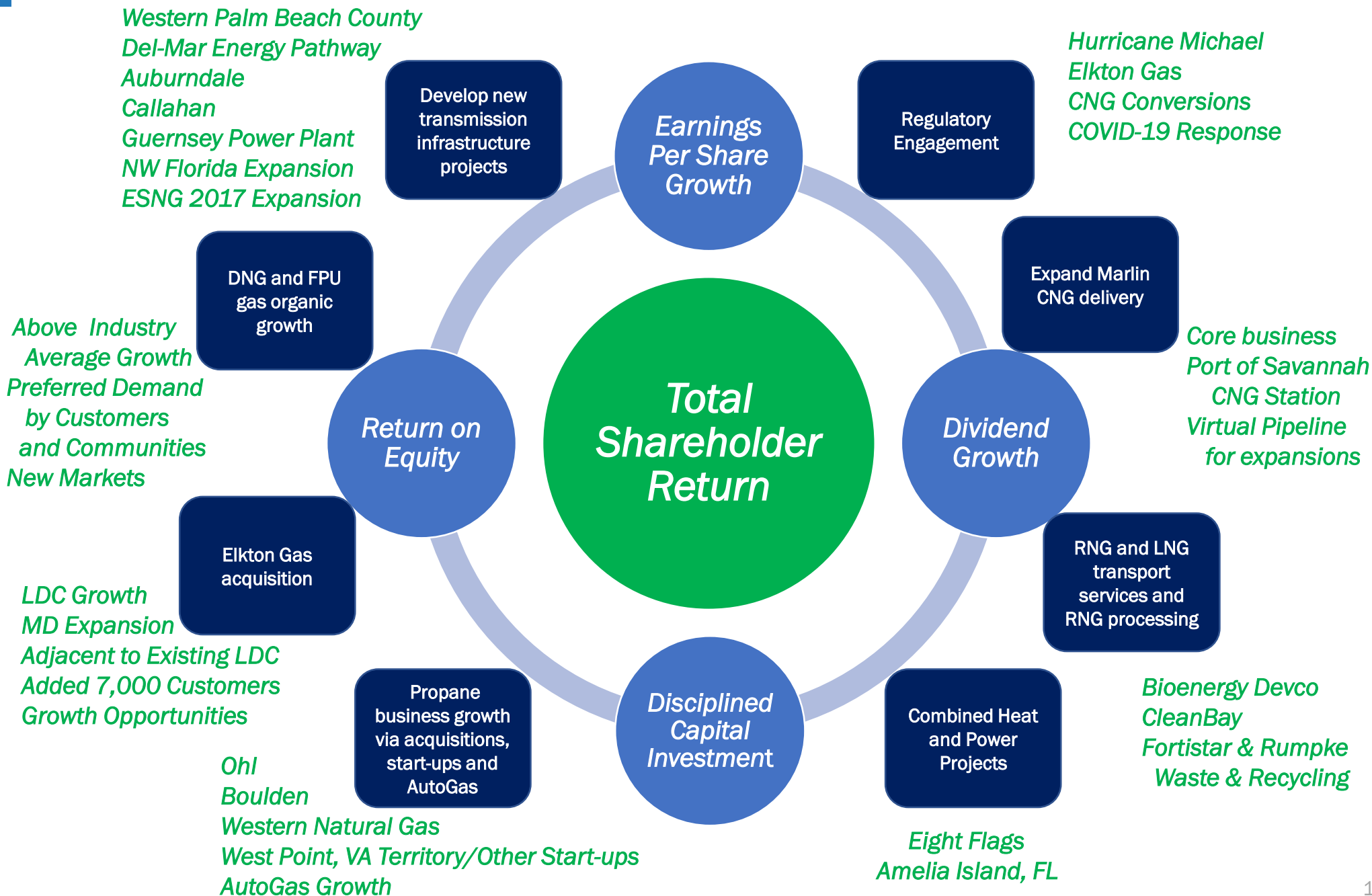
- Strategic acquisition opportunities, additional start-ups, expanded service offerings like AutoGas, etc.

5. Renewable Natural Gas (RNG) production projects

- Investing in gas processing equipment
- Distributed through Marlin and Pipelines

Chesapeake Utilities

2020 – 2022 Strategic Growth Initiatives



Recent and Current Business Expansions

Business Development Continues to Identify New Opportunities

Recently Completed

Northwest Florida Expansion

ESNG 2017 System Expansion Project (Delmarva Peninsula)

Boulden Acquisition Propane

Auburndale (FL) Pipeline

Elkton Gas Acquisition LDC

Callahan (FL) Pipeline

Western Natural Gas Propane Acquisition

Projects Underway

Del-Mar Energy Pathway Expansion (new county in MD)
Full Service Q4 2021

West Palm Beach County Expansion (FL)
Full Service Q2 2021

Bioenergy Devco Delaware RNG Transport

Guernsey Pipeline Expansion (Ohio)
Partial Service Q4 2021

CleanBay Maryland RNG Transport

Fortistar RNG Project (Ohio)

Key Expansion Projects

Pipeline Growth

Project	Capital Investment	Fully In-Service	Annual Gross Margin Estimate
West Palm Beach County	\$24.6 million	2021 Second Quarter	\$5.0 million
Del-Mar Energy Pathway	\$49.3 million	2021 Fourth Quarter	\$5.1 million
Auburndale Project	\$3.0 million	2020 First Quarter	\$0.7 million
Callahan Pipeline	\$33.5 million CPK 50%	2020 Second Quarter	\$6.4 million
Guernsey Power Station	\$5.2 million	2021 Fourth Quarter	\$1.5 million
ESNG 2017 Pipeline Expansion	\$145.2 million	2019 Third Quarter	\$13.2 million
Northwest Florida	\$45.1 million	2018 Second Quarter	\$6.5 million

Renewable Natural Gas

Waste products are converted to Biogas in an anaerobic digester. The raw Biogas does not meet gas pipeline quality standards. An upgrading (clean-up) process, similar to the gas processing CPK currently operates in Ohio, is required to produce Biomethane, typically referred to as Renewable Natural Gas (RNG) prior to pipeline injection.

What is biogas?

Produced from decomposing organic material without presence of oxygen:

- 50-65% CH₄
- 35-50% CO₂
- Trace impurities (H₂S, VOCs, etc.)

RNG (biomethane) advantages

- Drop-in substitute for natural gas
- 100% renewable - no new carbon
- Upcycles low-grade organic waste into high-value, low-carbon energy source



What is biogas upgrading?

- Cleanse impurities
- Separate CO₂ from CH₄
- Meet pipeline or vehicle specifications

MARLIN
GAS SERVICES

EASTERN SHORE
NATURAL GAS

CHESAPEAKE
UTILITIES

ASPIRE
ENERGY

CPK's Renewable Natural Gas Proposition

Presents Multiple Investment Opportunities

CPK RNG Initiatives:

Bioenergy DevCo - Poultry Waste
CleanBay Renewables – Chicken Litter
Fortistar - Waste Recycling

Marlin Gas Transport

Transmission Operations

Distribution Operations

Investment Opportunity

Regulatory Actions

Long-term Value

Additional transportation equipment to support growing opportunity

Unregulated Gas Transport

Multi-year contracts to transport gas to pipeline systems

Interstate pipeline interconnects for receipt of renewable natural gas

Tariff changes made by ESNG to accept this pipeline quality gas. PPC filing to be done in the future.

Multi-year contracts for receipt of gas into system and delivery into distribution system.

Potential investment in gas processing equipment which we will seek to include in rate base

No tariff changes initially; will be part of the PGA

Multi-year contracts for processing and receipt of gas into distribution system.

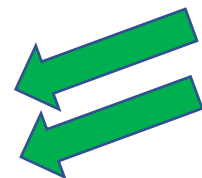
- *As a result of the Bioenergy DevCo ., CleanBay and Fortistar projects, the Company expects to generate \$1.0 million in incremental margin in 2021 from renewable gas transportation.*
- *These projects provide the opportunity for the Company to utilize renewable natural gas, and play an active role in the clean-up of poultry waste as well support the sustainability of agribusiness on Delmarva.*
- *There are numerous profitable investment opportunities across the CPK value chain as we play a key role in ensuring a sustainable future for our local communities.*

Major Projects and Initiatives

Gross Margin Contributions

Project/Initiative <i>in thousands</i>	Gross Margin for the Period						
	Three Months Ended		Nine Months Ended		Year Ended	Estimate for	
	September 30,		September 30,		December 31,	Fiscal	
	2020	2019	2020	2019	2019	2020	2021
<u>Pipeline Expansions</u>							
West Palm Beach County, Florida Expansion	\$ 1,020	\$ 745	\$ 2,988	\$ 1,068	\$ 2,139	\$ 4,076	\$ 4,984
Del-Mar Energy Pathway ⁽¹⁾	925	189	1,565	542	731	2,398	4,100
Auburndale	170	113	509	113	283	679	679
Callahan Intrastate Pipeline (including related natural gas distribution services)	1,609	—	2,146	—	—	4,039	6,437
Guernsey Power Station	—	—	—	—	—	—	514
Total Pipeline Expansions	3,724	1,047	7,208	1,723	3,153	11,192	16,714
<u>Virtual Pipeline Growth</u>							
Compressed Natural Gas Transportation	1,592	993	5,047	4,353	5,410	7,000	8,000
Renewable Natural Gas Transportation	—	—	—	—	—	—	1,000
Total Virtual Pipeline Growth	1,592	993	5,047	4,353	5,410	7,000	9,000
<u>Acquisitions</u>							
Boulden Propane	327	—	2,763	—	329	4,000	4,200
Elkton Gas	357	—	357	—	—	1,365	3,992
Western Natural Gas Company	—	—	—	—	—	250	1,800
Total Acquisitions	684	—	3,120	—	329	5,615	9,992
<u>Regulatory Initiatives</u>							
Florida GRIP	3,831	3,146	11,135	10,457	13,939	14,976	16,739
Hurricane Michael regulatory proceeding	8,261	—	8,261	—	—	11,014	11,014
Total Regulatory Initiatives	12,092	3,146	19,396	10,457	13,939	25,990	27,753
Total	\$18,092	\$5,186	\$34,771	\$16,533	\$ 22,831	\$49,797	\$63,459

New
Gross Margin
Initiatives



Capital Expenditures Forecast

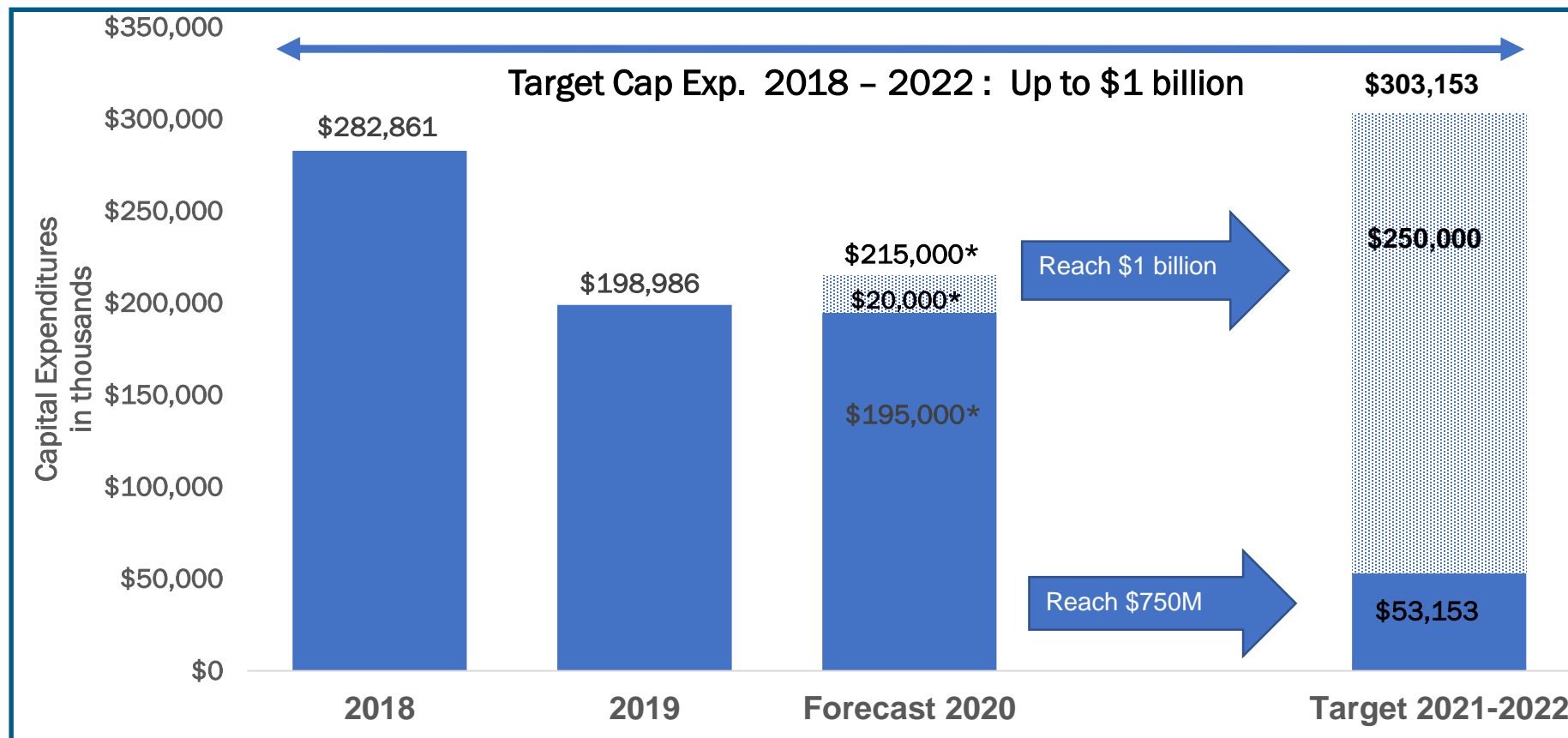
UPDATED Estimate for 2020

<i>(dollars in thousands)</i>	Forecast for Fiscal 2020	
	Low	High
Regulated Energy:		
Natural gas distribution	\$ 77,000	\$ 85,000
Natural gas transmission	70,000	74,000
Electric distribution	3,000	5,000
Total Regulated Energy	150,000	164,000
Unregulated Energy:		
Propane distribution	14,000	16,000
Energy transmission	17,000	18,000
Other unregulated energy	12,000	14,000
Total Unregulated Energy	43,000	48,000
Other:		
Corporate and other businesses	2,000	3,000
Total 2020 Capital Expenditures	<u><u>\$ 195,000</u></u>	<u><u>\$ 215,000</u></u>
Increased low range forecast for 2020 from \$185 million to \$195 million in November.		

The Company's capital expenditures were \$143.9 million for the nine months ended September 30, 2020. We will continue to update this forecast as we move through the year, including any unexpected capital delays resulting from COVID-19.

Capital Investment Guidance

Continued Record Investment in Our Business to Drive Growth

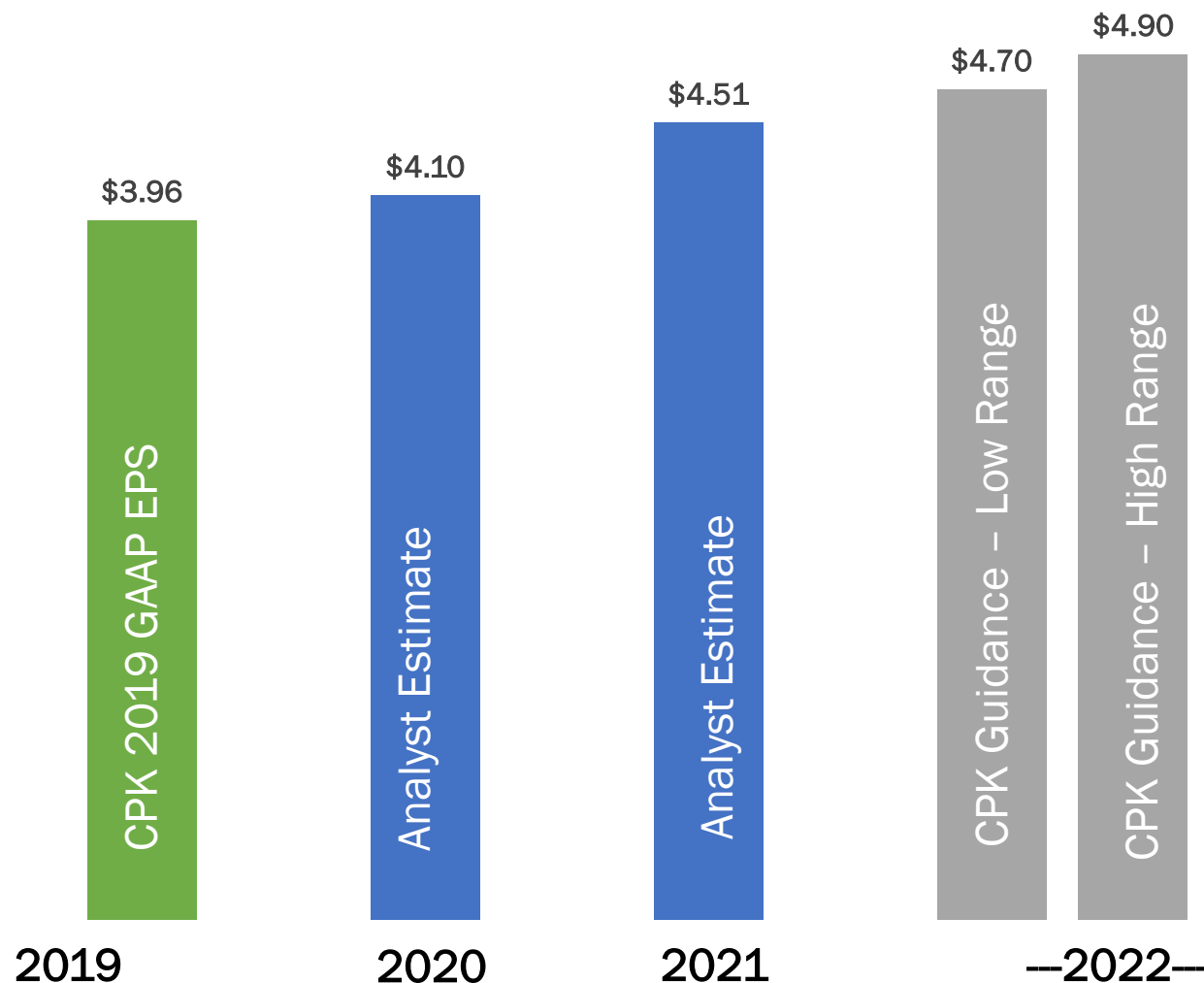


**2020 Lower Capital Forecast range updated from \$185 million to \$195 million*

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

Management reaffirms its five year capital expenditure guidance up to \$1 billion.
From 2018 through September 30, 2020, the Company has invested \$626 million on new capital expenditures.

GAAP Earnings per Share Guidance



*Note: 2019 GAAP Diluted EPS (\$3.96) – Diluted EPS from Continuing Operations (\$3.72)

Chesapeake Utilities Investment Proposition

Committed to Superior Performance

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

Executing on Our Strategy:

- Pursue new organic growth and seek development projects to serve new customers, provide new services and expand into new markets.
- Investing in pipeline systems that provide natural gas service to downstream customers such as LDCs, cooperatives, municipalities, industrial end-users and power plants.
- Pursue expansion projects that serve long-term commercial and industrial customers.
- Investing in propane opportunities to access new markets with significant growth potential.
- Pursuing new platforms for growth given our Marlin investment (CNG, LNG, RNG)
- Opportunities to operate more collaboratively and gain efficiencies
- Engagement strategies with employees to continually build our strategic infrastructure for sustainable growth.
 - Investing in our talent with targeted development plans and training
 - Engaging with communities where we work and live
 - Pursue 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 Shareholder Value

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

*Generate EPS CAGR of
7.75% to 9.50% through 2022;
2022 EPS of \$4.70-\$4.90*

*Target 11.0% Return on Equity
or higher*

*Sustain dividend growth
supported by earnings growth*

Strong Balance Sheet

Driven By **Energy**

***Appendix
Financial Results***

Commitment
Growth
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Safety
Sustainability
Solutions

Strength
Team
Service
Performance
Community
Value

Financial Summary

GAAP Income and Income from Continuing Operations

For the periods ended September 30,
 (in thousands except per share amounts)

(in thousands except per share data)

	Third Quarter		Year-to-Date	
	2020	2019	2020	2019
Operating Income	\$ 17,406	\$ 14,357	\$ 77,518	\$ 76,645
Other income (expense), net	(40)	(351)	2,997	(731)
Interest Charges	4,584	5,403	15,452	16,583
Income from Continuing Operations				
Before Income Taxes	12,782	8,603	65,063	59,331
Income Taxes on Continuing Operations	3,502	2,352	16,082	15,354
Income from Continuing Operations	9,280	6,251	48,981	43,977
Income (loss) from Discontinued Operations, Net of Tax	(19)	(630)	165	(1,388)
Net Income	\$ 9,261	\$ 5,621	\$ 49,146	\$ 42,589
Diluted EPS from Continuing Operations	\$0.56	\$0.38	\$2.96	\$2.67
Diluted EPS (GAAP)	\$0.56	\$0.34	\$2.97	\$2.59

Key Business Factors: COVID-19 Impact

- *Chesapeake Utilities is an “essential business” to our customers and communities. As such, our operational activities and construction projects continue; all the while, we are adhering to safety guidelines and social distancing.*
- *The Company’s pandemic response plan, which has included all employees who can to telework, and providing personal protective equipment (PPE) to those employees who have continued to operate in the field delivering our essential services, remains robust and in place.*

Operating Income

- For the three and nine months ended September 30, 2020, respectively, the COVID-19 operating income impacts were \$1.9 million and \$6.7 million, respectively; including increased bad debt expense reserves associated with customer delayed payments increasing aged accounts receivables
- Year-to-date net income was reduced \$1.9 million or \$0.12 per share

Regulatory

- As the COVID-19 pandemic is ongoing, the Company to date has not established regulatory assets associated with the incremental expense impact, as currently authorized by the three PSCs (Delaware, Maryland and Florida)
- We are continuing to assess recoverability
- We No significant COVID-19 impact on our FERC Regulated interstate transmission line

Key Regulatory Initiatives

Hurricane Michael Limited Proceeding

- *In September 2020, the Florida Public Service Commission approved a settlement agreement regarding the final cost recovery and rates associated with Hurricane Michael. The settlement of the Hurricane Michael proceeding improved operating income by \$2.9 million for the third quarter, including \$1.9 million in operating income which was previously billed under interim rates and fully reserved during the first half of 2020.*
- *The settlement agreement allowed FPU to:*
 - (a) record regulatory assets for storm costs in the amount of \$45.8 million including interest which will be amortized over six years*
 - (b) recover these storm costs through a surcharge for a total of \$7.7 million annually*
 - (c) collect an annual increase in revenue of \$3.3 million to recover capital costs associated with new plant and a regulatory asset for the cost of removal and undepreciated plant*
- *The new base rates and storm surcharge were effective on November 1, 2020.*

Key Drivers of Our Performance

Third Quarter of 2020 Compared to Third Quarter of 2019

- **Gross Margin increased \$8.2 million**

- Margin contributions from Hurricane Michael proceeding \$2.8 million
- Eastern Shore and Peninsula Pipeline service expansions \$2.7 million
- Natural gas growth (excluding expansions) \$0.8 million
- Florida GRIP \$0.7 million
- Boulden and Elkton Gas acquisition contributions \$0.7 million
- Increased demand for CNG Marlin Gas Services \$0.6 million

- **Operating expenses increased \$4.7 million (57% of margin variance)**

- Depreciation and amortization for Hurricane Michael settlement \$1.8 million
- Depreciation and property tax related to capital investment \$1.3 million
- Boulden and Elkton Gas operating expenses \$0.9 million
- Facilities, maintenance and outside services costs \$0.4 million
- Insurance expense related to higher market premiums \$0.3 million

- **Net Unusual items (\$0.7 million)**

- Hurricane Michael (net impact from Q1 and Q2 2020) \$2.7 million
- Decreased customer consumption (\$1.0 million)
- Unfavorable COVID-19 impacts (\$1.0 million)