Chesapeake Utilities Corporation (CPK)

Updated November 15th, 2025, by Kody Kester

Key Metrics

Current Price:	$135	**5 Year CAGR Estimate:**	9.3%	**Market Cap:**	$3.2B
Fair Value Price:	$131	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	12/15/2025
% Fair Value:	103%	**5 Year Valuation Multiple Estimate:**	-0.5%	**Dividend Payment Date:**	01/05/2026
Dividend Yield:	2.0%	**5 Year Price Target**	$193	**Years Of Dividend Growth:**	22
Dividend Risk Score:	B	**Sector:**	Utilities	**Rating:**	Buy

Overview & Current Events

Founded in 1947, Chesapeake Utilities Corporation (CPK) is a diversified energy delivery company operating primarily in the Mid-Atlantic region, North Carolina, South Carolina, Florida, and Ohio. The company is engaged in the distribution of natural gas, propane, and electricity, as well as the generation of electricity and steam, and the provision of mobile compressed natural gas.

CPK operates the two reportable segments:

1. Regulated Energy: This segment is made up of natural gas transmission services businesses, as well as natural gas and electric distribution businesses. That's via seven subsidiaries. The most recent addition was Florida City Gas, which was previously owned by NextEra Energy's Florida Power & Light Company. In November 2023, CPK completed this transaction for $922.8 million in cash. It serves residential and commercial natural gas customers across eight counties in Florida, including Miami-Dade, Broward, Brevard, and Palm Beach.
2. Unregulated Energy: The Unregulated Energy segment sells propane to residential, commercial, industrial, and wholesale customers. This is through its Sharp Energy, Inc., SharpGas, Inc., Diversified Energy, FPU, and Flo-gas subsidiaries.

On November 6th, CPK shared its earnings report for the third quarter ended September 30th, 2025. The company's operating revenue surged 12.1% higher over the year-ago period to $179.6 million during the quarter. That was made possible by vigorous customer growth and higher rates approved by regulators. CPK's adjusted diluted EPS increased by 2.5% year-over-year to $0.82 in the quarter. This missed the analyst consensus for the quarter by $0.12. CPK once again maintained its midpoint adjusted diluted EPS guidance of $6.25 ($6.15 to $6.35) for 2025. On the same day, the company declared a quarterly dividend per share of $0.685, with an ex-dividend date of December 15th and a pay date of January 5th.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$2.72	$2.86	$3.55	$3.31	$3.72	$4.21	$4.73	$5.04	$5.31	$5.39	***$6.25***	***$9.18***
DPS	$1.12	$1.19	$1.26	$1.39	$1.55	$1.69	$1.80	$2.03	$2.25	$2.47	***$2.74***	***$3.84***
Shares[1]	15.3	16.3	16.3	16.4	16.4	17.5	17.7	17.7	22.1	22.8	***23.7***	***28.7***

Since 2015, CPK has grown its adjusted diluted EPS by around 8% annually. Moving forward, we think that similar growth can continue. That's because the company has identified approximately $1.4 billion of capital projects over the next five years. CPK believes that these projects can support its five-year capex guidance of between $1.5 billion and $1.8 billion. Better yet, roughly 70% of capital spending is expected to be with existing regulatory approvals or recovery mechanisms. This bolsters the stability of the underlying cash flows that will be generated from these investments.

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Chesapeake Utilities Corporation (CPK)

Updated November 15th, 2025, by Kody Kester

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	20.9	23.4	22.1	24.6	25.8	25.7	30.8	23.5	19.9	22.6	***21.5***	***21.0***
Avg. Yld.	2.0%	1.8%	1.6%	1.7%	1.6%	1.6%	1.2%	1.7%	2.1%	2.0%	***2.0%***	***2.0%***

Over the past decade, CPK's shares have traded at a P/E ratio as low as the high teens to as much as the low 30s. The average P/E ratio over this time was around 24. In the years ahead, we anticipate that higher interest rates will pressure the valuation multiple by more than a standard deviation. This is why we think that a rational fair value for shares is around a P/E ratio of 21. Relative to the current P/E ratio of 21.5, shares are now slightly overvalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	41%	42%	35%	42%	42%	40%	38%	40%	42%	46%	***44%***	***42%***

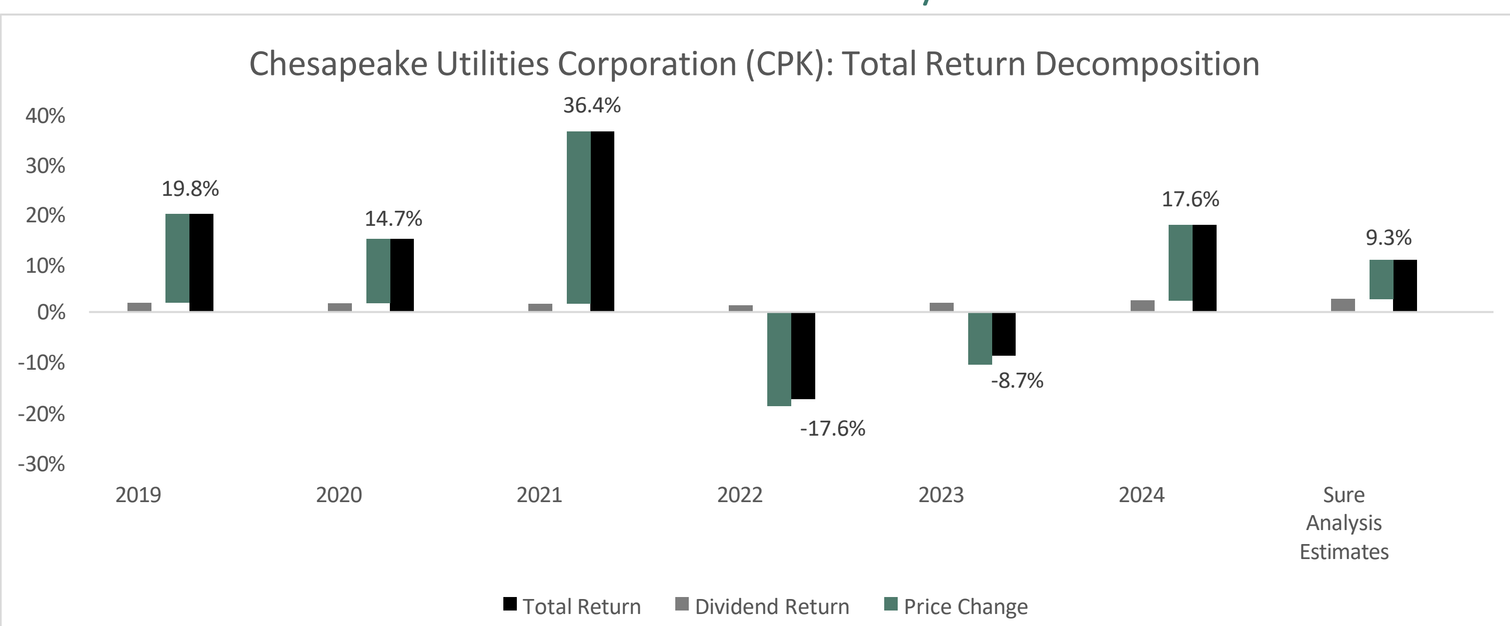
CPK's slower-growing and more predictable regulated energy businesses help to balance out the faster-growing and less predictable unregulated energy businesses. That's how the company has generated a 300%+ cumulative total return over the past 15 years and ranks above the 75th percentile among its peer groups for 10, 15, and 20-year periods.

CPK is also a financially sturdy business. In March, Fitch issued its inaugural investment-grade, BBB+ long-term credit rating for Chesapeake. That rating also has a stable outlook. That provides Chesapeake with access to low-cost capital, which should help it execute its five-year capital spending plan. The company's payout ratio remains poised to be in the mid-40% range for 2025, which also gives it plenty of retained capital for growth spending. This is why we believe that high-single-digit annual dividend growth can persist for the foreseeable future.

Final Thoughts & Recommendation

CPK's 2.0% yield, 8.0% annual adjusted diluted EPS growth prospects, and 0.5% annual valuation multiple downside potential could produce 9.3% annual total returns through 2030. This is a decent total return potential, but there are better options out there right now. That's why we're downgrading shares to a hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Chesapeake Utilities Corporation (CPK)

Updated November 15th, 2025, by Kody Kester

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	459	499	450	490	480	488	570	681	671	787
Gross Profit	120	133	143	153	172	193	218	238	255	335
Gross Margin	26.1%	26.6%	31.8%	31.3%	35.8%	39.5%	38.2%	34.9%	38.0%	42.5%
D&A Exp.	37	39	45	49	55	68	73	80	77	82
Operating Profit	76	86	90	95	106	113	131	143	161	232
Op. Margin	16.6%	17.2%	19.9%	19.3%	22.1%	23.1%	23.0%	21.0%	24.0%	29.4%
Net Profit	41	45	58	57	65	71	83	90	87	119
Net Margin	9.0%	9.0%	12.9%	11.5%	13.6%	14.6%	14.6%	13.2%	13.0%	15.1%
Free Cash Flow	(39)	(66)	(65)	(123)	(82)	(7)	(36)	31	15	(116)
Income Tax	27	28	15	21	21	24	29	34	28	43

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,067	1,229	1,415	1,694	1,783	1,932	2,115	2,215	3,305	3,577
Cash & Equivalents	3	4	6	6	7	3	5	6	5	8
Acc. Receivable	41	63	77	54	50	57	58	63	72	121
Inventories	10	11	20	17	12	11	21	26	29	27
Goodwill & Int.	17	17	24	25	41	47	58	64	525	523
Total Liabilities	709	783	929	1,175	1,222	1,235	1,341	1,382	2,059	2,187
Accounts Payable	39	57	75	99	54	60	53	61	77	78
Long-Term Debt	332	359	458	622	733	698	789	802	1,187	1,262
Total Equity	358	446	486	518	562	697	774	833	1,246	1,390
D/E Ratio	0.93	0.80	0.94	1.20	1.31	1.00	1.02	0.96	0.95	0.91

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.2%	3.9%	4.4%	3.6%	3.7%	3.8%	4.1%	4.1%	3.2%	3.4%
Return on Equity	12.5%	11.1%	12.5%	11.3%	12.1%	11.4%	11.3%	11.2%	8.4%	9.0%
ROIC	6.6%	6.0%	6.6%	5.4%	5.4%	5.3%	5.6%	5.6%	4.1%	4.3%
Shares Out.	16	16	16	16	17	18	19	18	18	22
Revenue/Share	30.33	31.95	27.45	29.86	29.16	29.11	32.32	38.23	36.38	35.77
FCF/Share	(2.57)	(4.21)	(3.98)	(7.49)	(4.97)	(0.39)	(2.07)	1.72	0.81	(5.27)

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.