Chesapeake Utilities Corporation (CPK)

Updated February 27th, 2026, by Kody Kester

Key Metrics

Current Price:	$135	**5 Year CAGR Estimate:**	10.4%	**Market Cap:**	$3.2B
Fair Value Price:	$136	**5 Year Growth Estimate:**	8.5%	**Ex-Dividend Date:**	03/16/2026
% Fair Value:	99%	**5 Year Valuation Multiple Estimate:**	0.2%	**Dividend Payment Date:**	04/06/2026
Dividend Yield:	2.0%	**5 Year Price Target**	$204	**Years Of Dividend Growth:**	22
Dividend Risk Score:	B	**Sector:**	Utilities	**Rating:**	Buy

Overview & Current Events

Founded in 1947 and tracing its roots back to the Dover Gas Light Company in 1859, Chesapeake Utilities Corporation (CPK) is a diversified energy delivery company operating primarily in the Mid-Atlantic region (Delaware, Maryland, Virginia, and Pennsylvania), 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 numerous 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, Marlin Gas Services, and Flo-gas subsidiaries. It also includes CHP, CNG, and Ohio transmission.

On February 25th, CPK released its financial results for the fourth quarter ended December 31st, 2025. The company's operating revenue jumped 20.4% year-over-year to $258.9 million in the quarter. This was fueled by a combination of ten transmission capital projects that came online in 2024 and 2025, several completed rate cases in 2025 (Maryland, Delaware, and Florida), and above-average customer growth. CPK's adjusted diluted EPS vaulted 19.0% higher over the year-ago period to $1.94 during the quarter. That came up $0.03 short of the analyst consensus for the quarter. On the same day, CPK also announced a quarterly dividend per share of $0.685, with a pay date of April 6th to shareholders of record as of March 16th.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.86	$3.55	$3.31	$3.72	$4.21	$4.73	$5.04	$5.31	$5.39	$6.01	***$6.47***	***$9.73***
DPS	$1.19	$1.26	$1.39	$1.55	$1.69	$1.80	$2.03	$2.25	$2.47	$2.70	***$2.74***	***$3.84***
Shares[1]	16.3	16.3	16.4	16.4	17.5	17.7	17.7	22.1	22.8	23.9	***23.9***	***28.9***

Since 2016, CPK has grown its adjusted diluted EPS by almost 9% annually. Moving forward, we think that similar growth can continue. That's because the company has identified approximately $1.6 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. Importantly, 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.

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Valuation Analysis

Year	2016	2017	2018	2018	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	23.4	22.1	24.6	25.8	25.7	30.8	23.5	19.9	22.6	20.7	***20.8***	***21.0***
Avg. Yld.	1.8%	1.6%	1.7%	1.6%	1.6%	1.2%	1.7%	2.1%	2.0%	2.2%	***2.0%***	***1.9%***

Over the past decade, CPK's shares have been priced 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. This is why we continue to believe that a rational fair value for shares is around a P/E ratio of 21. Relative to the current P/E ratio of 20.8, shares are now trading around fair value.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	42%	35%	42%	42%	40%	38%	40%	42%	46%	45%	***42%***	***40%***

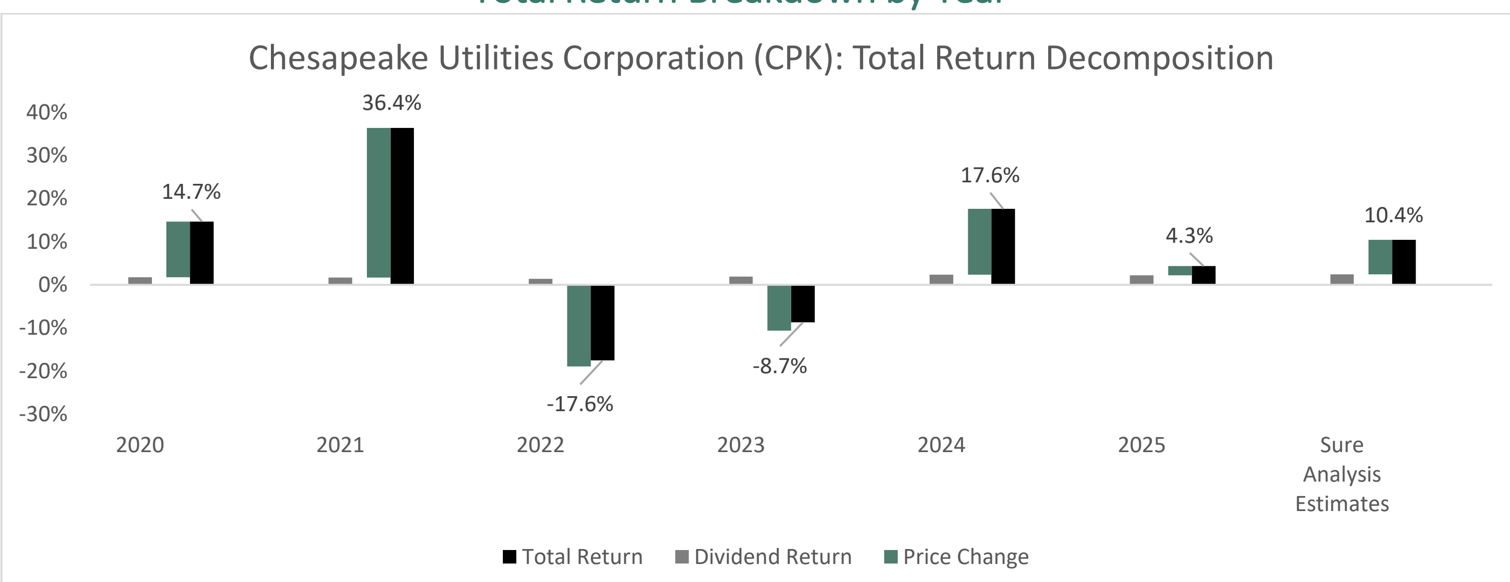
CPK's slower-growing and more predictable regulated energy businesses help to balance out the faster-growing but more volatile unregulated energy businesses. That's how the company has generated adjusted diluted EPS growth in all but one of the past 10 years.

CPK is also a financially sturdy business. Last 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 low-40% range for 2026, 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, 8.5% annual adjusted diluted EPS growth prospects, and 0.2% annual valuation multiple upside potential could produce 10.4% annual total returns through 2031. As a result, we're upgrading shares back to a Buy 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.

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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.