Chesapeake Utilities Corporation (CPK)

Updated August 14th, 2026, by Kody Kester

Key Metrics

Current Price:	$135	**5 Year CAGR Estimate:**	10.3%	**Market Cap:**	$3.3B
Fair Value Price:	$135	**5 Year Growth Estimate:**	8.5%	**Ex-Dividend Date:**	09/14/2026
% Fair Value:	100%	**5 Year Valuation Multiple Estimate:**	0.0%	**Dividend Payment Date:**	10/05/2026
Dividend Yield:	2.2%	**5 Year Price Target**	$203	**Years Of Dividend Growth:**	23
Dividend Risk Score:	B	**Sector:**	Utilities	**Rating:**	Hold

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 Aug. 6, CPK released its financial results for the second quarter ended Jun. 30, 2026. The company's operating revenue grew by 4.7% year-over-year to $201.9 million in the quarter. This was fueled by an 8.2% uptick in Regulated Energy operating revenue over the year-ago period to $164.3 million during the quarter, which was made possible by ongoing capital investments into pipeline and distribution infrastructure, as well as customer growth. CPK's adjusted diluted EPS edged 1% higher year-over-year to $1.05 for the quarter. That was $0.02 short of the analyst consensus in the quarter. On the same day, CPK announced its next quarterly dividend per share to be paid on Oct. 5 to shareholders of record as of Sept. 14.

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	***$6.42***	***$9.65***
DPS	$1.19	$1.26	$1.39	$1.55	$1.69	$1.80	$2.03	$2.25	$2.47	$2.70	***$2.94***	***$4.12***
Shares[1]	16.3	16.3	16.4	16.4	17.5	17.7	17.7	22.1	22.8	23.9	***24.1***	***29.0***

Since 2016, CPK has grown its adjusted diluted EPS by almost 9% annually. Moving forward, we think that adjusted diluted EPS can compound by 8.5% annually through 2031, off an anticipated 2026 base of $6.42. CPK believes its projects can support its five-year capex guidance of exceeding $2.2 billion (up from a range of $1.5 billion to $1.8 billion). This is being supported by the Florida Energy Pathway project, which is a record $1.2 billion 97-mile intrastate natural gas pipeline designed to alleviate severe transmission capacity constraints in South Florida.

[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	***21.0***	***21.0***
Avg. Yld.	1.8%	1.6%	1.7%	1.6%	1.6%	1.2%	1.7%	2.1%	2.0%	2.2%	***2.2%***	***2.0%***

Over the past decade, CPK's shares have traded at a P/E ratio as low as the high teens to as high as the low 30s. The average P/E ratio over this time was around 24. In the coming years, 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 21, shares are fairly valued.

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%	***46%***	***43%***

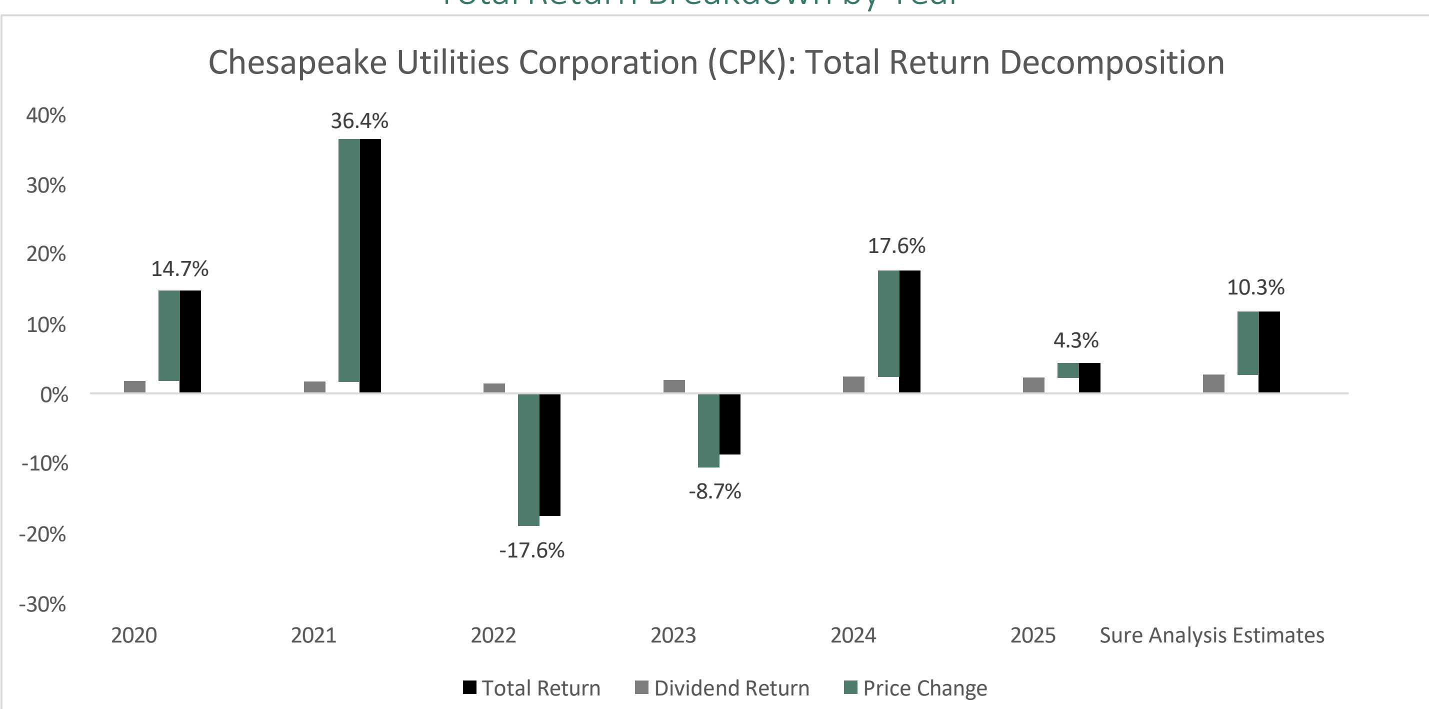
CPK's slower-growing and more predictable regulated energy businesses help to balance out the faster-growing but more volatile unregulated energy businesses. That's how the company has generated adjusted diluted EPS growth in all but one of the past 10 years.

CPK is also a financially sturdy business. In March 2025, Fitch issued its inaugural investment-grade, BBB+ long-term credit rating. That rating also has a stable outlook. That provides CPK 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 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 2.2% yield, 8.5% annual adjusted diluted EPS growth prospects, and a static valuation multiple could produce 10.3% annual total returns through 2031. As a result, we're moving 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.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	499	617	490	480	488	571	681	669	788	930
Gross Profit	101	108	112	125	132	149	165	190	271	294
Gross Margin	20.1%	17.4%	22.9%	26.0%	27.1%	26.1%	24.2%	28.3%	34.4%	31.6%
D&A Exp.	39	45	49	55	68	73	80	77	82	108
Operating Profit	86	90	94	105	110	124	139	161	234	258
Op. Margin	17.2%	14.7%	19.2%	21.8%	22.6%	21.8%	20.5%	24.1%	29.7%	27.7%
Net Profit	45	58	57	61	71	83	90	87	119	140
Net Margin	8.9%	9.4%	11.6%	12.7%	14.5%	14.6%	13.2%	13.0%	15.1%	15.1%
Free Cash Flow	(66)	(65)	(123)	(82)	(7)	(36)	31	15	(116)	(215)
Income Tax	28	14	21	21	24	29	34	28	43	53

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,229	1,415	1,694	1,783	1,932	2,115	2,215	3,305	3,577	4,043
Cash & Equivalents	4	6	6	7	3	5	6	5	8	2
Acc. Receivable	63	77	52	47	56	56	62	68	66	92
Inventories	17	26	20	15	14	25	33	34	31	31
Goodwill & Int.	17	24	25	41	47	58	64	525	523	521
Total Liabilities	783	929	1,175	1,222	1,235	1,341	1,382	2,059	2,187	2,444
Accounts Payable	57	75	99	54	60	53	61	77	78	115
Long-Term Debt	149	207	328	496	532	576	612	1,216	1,296	1,470
Total Equity	446	486	518	562	697	774	833	1,246	1,390	1,599
LTD/E Ratio	0.80	0.94	1.20	1.33	1.02	1.03	0.98	1.12	1.08	1.02

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.9%	4.4%	3.7%	3.5%	3.8%	4.1%	4.1%	3.2%	3.4%	3.7%
Return on Equity	11.1%	12.5%	11.3%	11.3%	11.2%	11.3%	11.2%	8.4%	9.0%	9.4%
ROIC	6.0%	6.6%	5.5%	5.0%	5.2%	5.6%	5.6%	4.1%	4.3%	4.6%
Shares Out.	16.3	16.3	16.4	16.4	17.5	17.7	17.7	22.1	22.8	23.9
Revenue/Share	31.99	37.69	29.86	29.16	29.11	32.35	38.25	36.31	34.95	39.59
FCF/Share	(4.26)	(3.98)	(7.49)	(4.97)	(0.39)	(2.07)	1.72	0.81	(5.14)	(9.15)

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