CHESAPEAKE UTIL. NYSE-CPK

RECENT PRICE 127.45 PI RATIO 25.5 Trailing: 26.3 (Medium: 21.3) RELATIVE PI RATIO 1.57 DIV YLD 1.7% VALUE LINE

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2025-27 PROJECTIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>Price (Gain%)</th>
<th>% TOT. RETURN 4/22</th>
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<tbody>
<tr>
<td>2025</td>
<td>100</td>
<td>12%</td>
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<tr>
<td>2026</td>
<td>110</td>
<td>13%</td>
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<tr>
<td>2027</td>
<td>125</td>
<td>13%</td>
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BUSINESS: Chesapeake Utilities Corporation consists of two main units. The Regulated Energy segment distributes natural gas in Delaware, Maryland, and Florida; distributes electricity in Florida; and transmits natural gas on the Delmarva Peninsula and in Florida. The Unregulated wholesale operations and distributors of natural gas and electricity in 2025-2027 period.

Chesapeake Utilities Corporation had a respectable performance in the opening quarter of 2022. Share net of $2.08 was 6% higher than the year ago's $1.96. One contributor was the Regulated Energy unit, aided by continued pipeline expansions by the Eastern Shore and Peninsula Pipeline operations, organic growth in the natural gas distribution businesses, plus incremental benefits from the acquisition of Escambia Meter Station in 2021. Moreover, results of the Unregulated Energy division got a boost from last year’s purchase of Diversified Energy Company, higher rates for the Aspire Energy division, plus incremental benefits from businesses, and other operating units.

In the opening quarter, the company’s earnings were $0.535 a share, compared to $0.480 a share in the year ago period. Analysts had expected $0.531 a share. The company’s revenue was $578.5 million, compared to $564.8 million in the year ago period. Analysts had expected $570.0 million.

The company’s current dividend yield of 1.7% is not spectacular when stacked against the 2025-2027 period. However, the yield should be in the neighborhood of 40%, with additional debt and/or equity securities can be issued if necessary. All things considered, the company ought to continue to satisfy its obligations with little trouble.

The quarterly common stock dividend was just increased 11.5%, to $0.535 a share. What's more, our projections out to 2025-2027 indicate that additional steady hikes in the distribution will probably take place. The payout ratio over that span ought to be in the neighborhood of 40%, which is reasonable.

Chesapeake shares, although favorably ranked for Timeliness, have unenticing total return potential during the 2025-2027 period. Capital gains possibilities are nothing to write home about. Also, the current dividend yield of 1.7% is not spectacular when stacked against the average of Value Line’s Natural Gas Utility Industry.

Frederick L. Harris, III

May 27, 2022