

**CHESAPEAKE  
UTILITIES  
CORPORATION**

# Investor Presentation

## **Sidoti Spring Small Cap Virtual Conference**

**March 13, 2024**

# Today's Presenters

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**Beth Cooper**

Executive Vice President, Chief Financial Officer, Treasurer, and Assistant Corporate Secretary



**Michael Galtman**

Senior Vice President and Chief Accounting Officer



**Noah Russell**

Assistant Vice President and Assistant Treasurer

# Safe Harbor for Forward-Looking Statements

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## Safe Harbor Statement

Some of the statements in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other applicable law. Such forward-looking statements may be identified by the use of words, such as “project,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “continue,” “potential,” “forecast” or other similar words, or future or conditional verbs such as “may,” “will,” “should,” “would” or “could.” These statements represent our intentions, plans, expectations, assumptions and beliefs about our future financial performance, business strategy, projected plans and objectives. These statements are subject to many risks and uncertainties and actual results may materially differ from those expressed in these forward-looking statements. Please refer to Chesapeake Utilities Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC and other SEC filings concerning factors that could cause those results to be different than contemplated in this presentation.

## Non-GAAP Financial Information

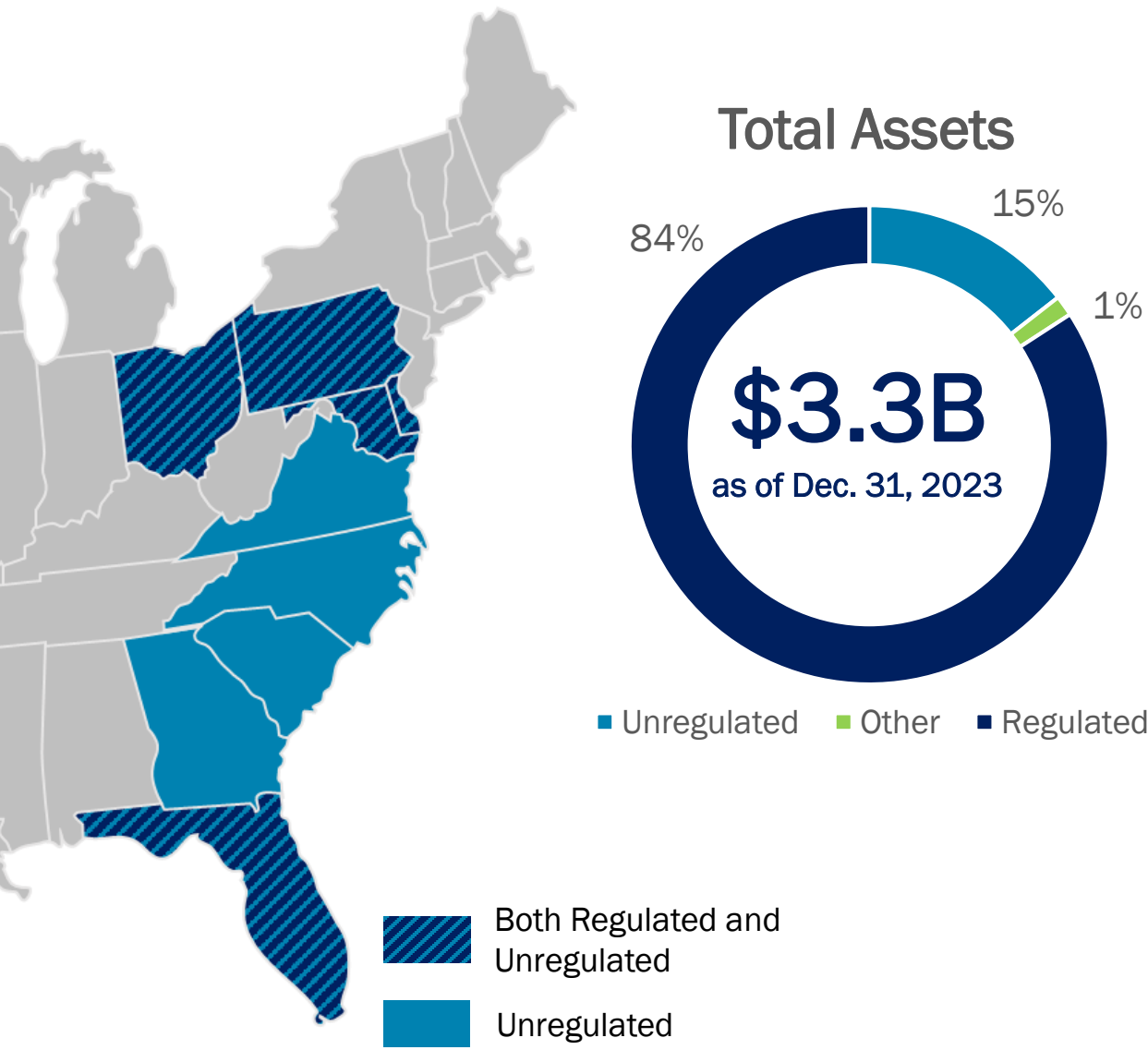
This presentation includes non-GAAP financial measures including Adjusted Gross Margin, Adjusted Net Income and Adjusted Earnings Per Share (“EPS\*”). A “non-GAAP financial measure” is generally defined as a numerical measure of a company's historical or future performance that includes or excludes amounts, or that is subject to adjustments, so as to be different from the most directly comparable measure calculated or presented in accordance with GAAP. Our management believes certain non-GAAP financial measures, when considered together with GAAP financial measures, provide information that is useful to investors in understanding period-over-period operating results separate and apart from items that may, or could, have a disproportionately positive or negative impact on results in any particular period.

The Company calculates Adjusted Gross Margin by deducting the purchased cost of natural gas, propane and electricity and the cost of labor spent on direct revenue-producing activities from operating revenues. The costs included in Adjusted Gross Margin exclude depreciation and amortization and certain costs presented in operations and maintenance expenses in accordance with regulatory requirements. The Company calculates Adjusted Net Income and Adjusted EPS by deducting costs and expenses associated with significant acquisitions that may affect the comparison of period-over-period results. These non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. The Company believes that these non-GAAP measures are useful and meaningful to investors as a basis for making investment decisions and provide investors with information that demonstrates the profitability achieved by the Company under allowed rates for regulated energy operations and under the Company's competitive pricing structures for unregulated energy operations. The Company's management uses these non-GAAP financial measures in assessing a business unit and Company performance. Other companies may calculate these non-GAAP financial measures in a different manner.

See Appendix for a reconciliation of Gross Margin, Net Income and EPS, all as defined under GAAP, to our non-GAAP measures of Adjusted Gross Margin, Adjusted Net Income, and Adjusted EPS for each of the periods presented.

\*Unless otherwise noted, EPS and Adjusted EPS information is presented on a diluted basis.

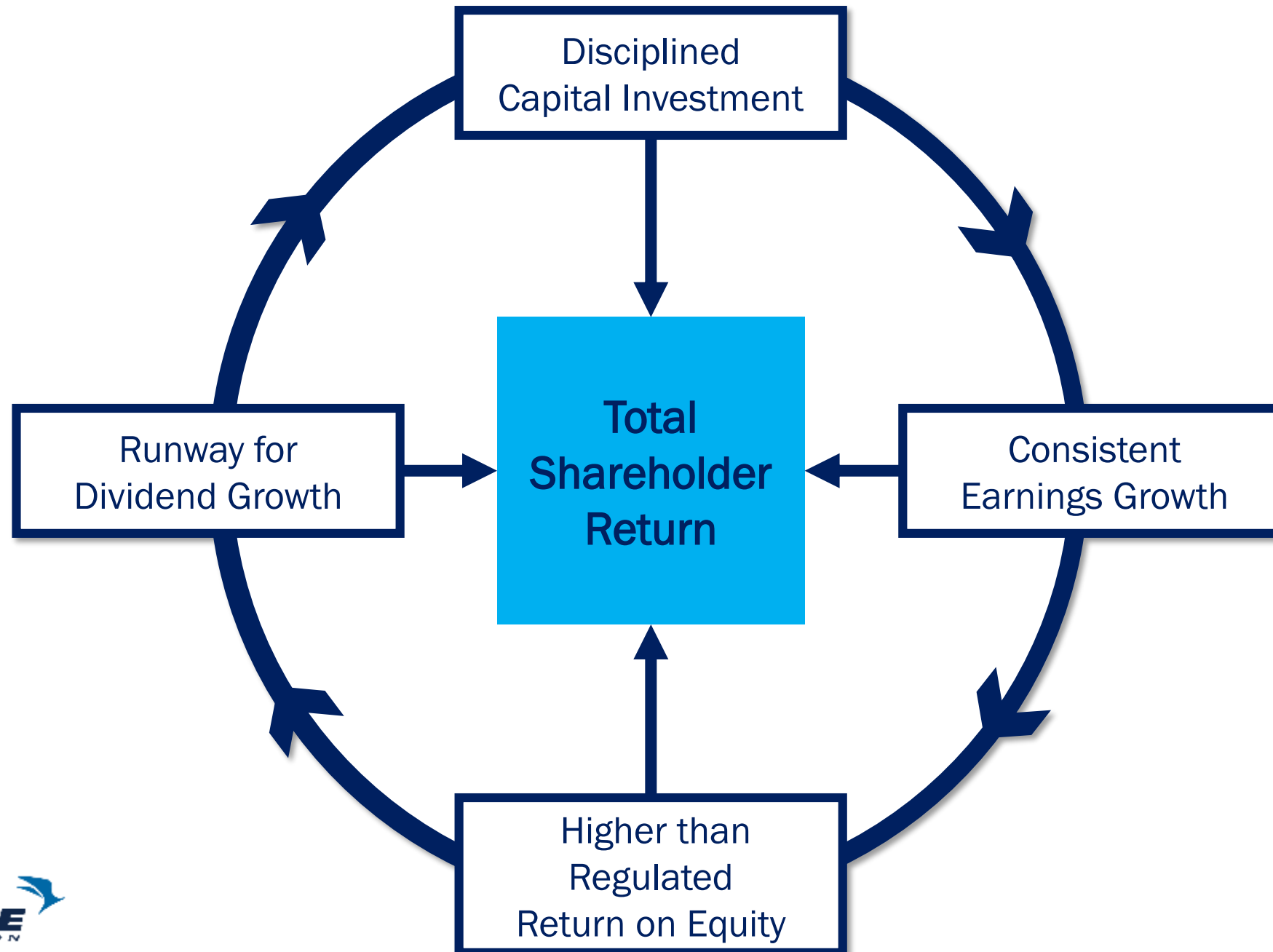
# Growing, Diversified Portfolio of Energy Delivery Solutions



Chesapeake Utilities Corporation Overview
NYSE: CPK
\$2.3B Market Cap company
160+ years providing energy
1,281 employees at Dec. 31, 2023
~440,000 distribution customers

Our Business Lines	States We Serve
Regulated Energy Segment	
Natural Gas Transmission	DE, FL, MD, PA, OH
Natural Gas Distribution	DE, MD, FL
Electric Distribution	FL
Unregulated Energy Segment	
Propane Distribution	PA, DE, MD, VA, NC, SC, FL
Natural Gas Pipeline System	OH
CNG Services	Multiple – Including New CNG Fueling Station in GA
CHP Generation	FL
RNG Opportunities	Multiple – Including projects and acquisitions in OH, MD, FL

# Chesapeake Utilities' Model for Financial Success



# 2023 Takeaways and Looking Forward



## 2023 Key Financial Takeaways

- 17<sup>th</sup> – Consecutive year of earnings growth\*
- 5.4% - Growth in Diluted Adjusted EPS\* over 2022
- 7 – Growth in Adjusted Net income\* since 2009 (7x) and the period over which we doubled Adjusted Net income\* (7 years)
- 63<sup>rd</sup> – Consecutive year paying quarterly dividends
- 20<sup>th</sup> - Consecutive year increasing annualized dividend per share



# Year-End 2023 Financial Summary

**Solid performance, despite significantly warmer weather and continued inflationary environment**

## Consolidated

(in thousands except per share data)

**Total Adjusted Gross Margin<sup>1</sup>**

**Operating Income**

**Other Income (Expense), Net**

**Interest Charges**

**Pre-tax Income**

**Income Taxes**

**Net Income**

**Diluted EPS**

**Net Income (GAAP)**

**Transaction-related expenses, net<sup>2</sup>**

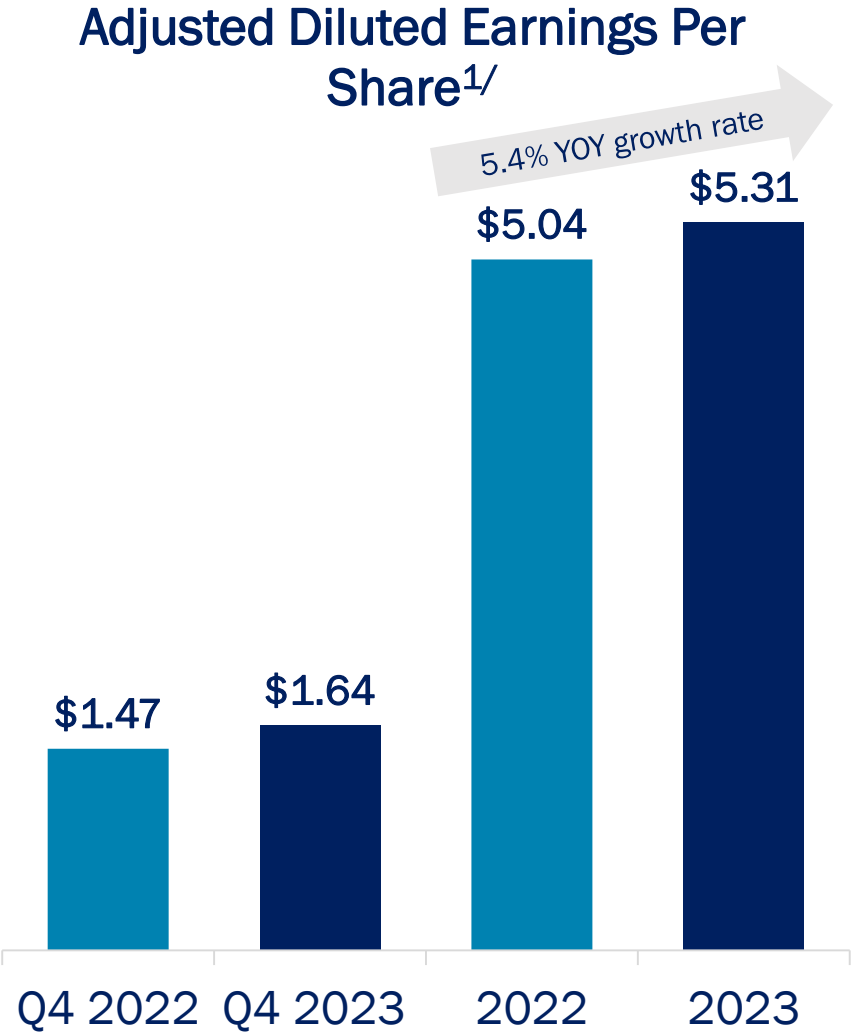
**Adjusted Net Income (Non-GAAP)<sup>1</sup>**

**Adjusted Earnings Per Share - Diluted (Non-GAAP)<sup>1</sup>**

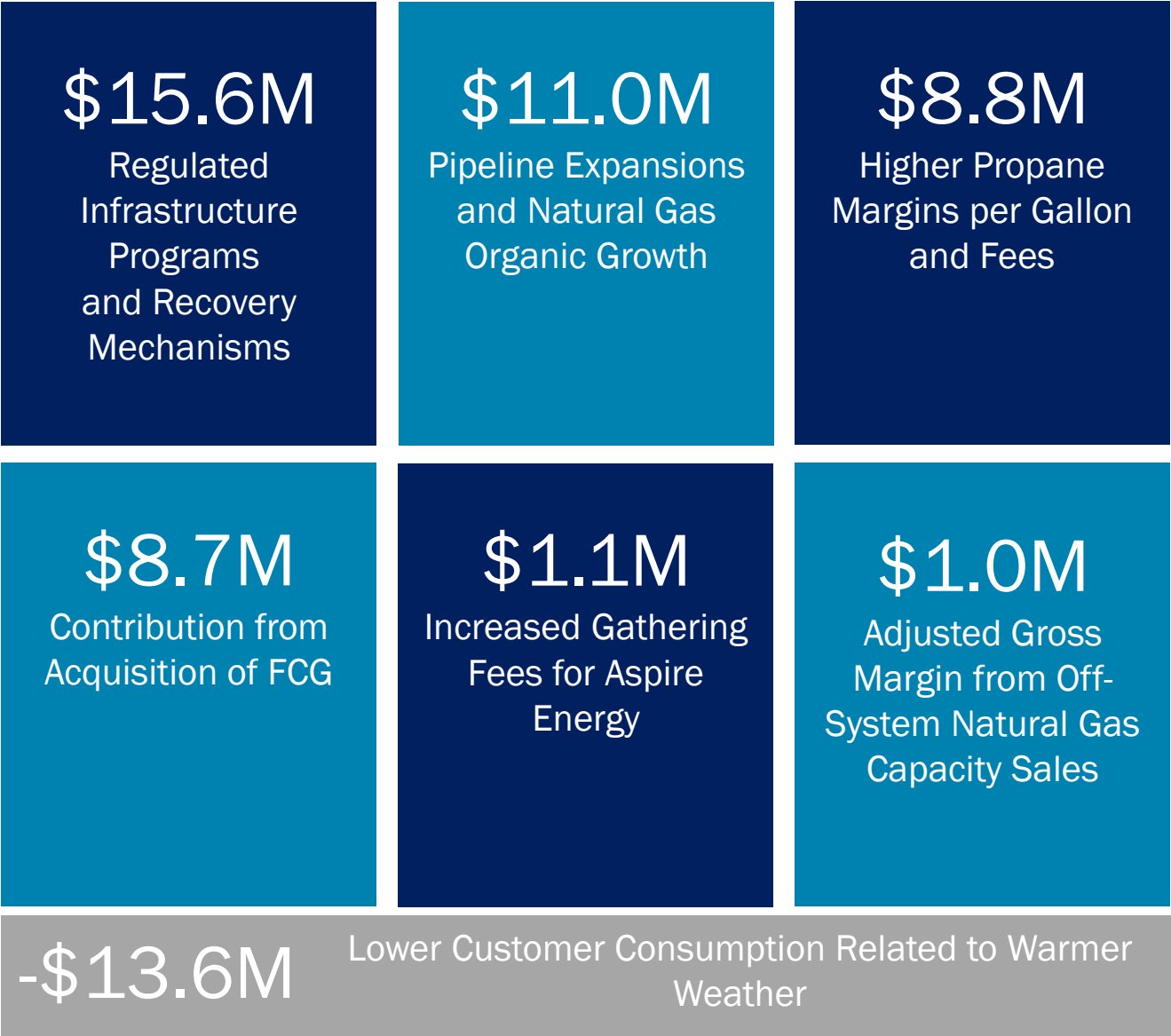
Fiscal Year		Change	
2023	2022	\$	%
<b><u>\$ 454,123</u></b>	<b><u>\$ 420,198</u></b>	<b><u>\$ 33,925</u></b>	<b><u>8.1%</u></b>
<b>150,803</b>	142,933	7,870	5.5%
<b>1,438</b>	5,051	(3,613)	-71.5%
<b>36,951</b>	24,356	12,595	51.7%
<b>115,290</b>	123,628	(8,338)	-6.7%
<b>28,078</b>	33,832	(5,754)	-17.0%
<b><u>\$ 87,212</u></b>	<b><u>\$ 89,796</u></b>	<b><u>\$ (2,584)</u></b>	<b><u>-2.9%</u></b>
<b>\$ 4.73</b>	\$ 5.04	\$ (0.31)	-6.2%
<b>\$ 87,212</b>	\$ 89,796	\$ (2,584)	-2.9%
<b>10,625</b>	-	10,625	N/A
<b><u>\$ 97,837</u></b>	<b><u>\$ 89,796</u></b>	<b><u>\$ 8,041</u></b>	<b><u>9.0%</u></b>
<b>\$ 5.31</b>	\$ 5.04	\$ 0.27	5.4%

**Excluding transaction-related expenses, operating income increased \$18.2 million, or 12.8%**

# 2023 Financial Performance driven by Increased Gross Margin



## Key Adjusted Gross Margin Drivers

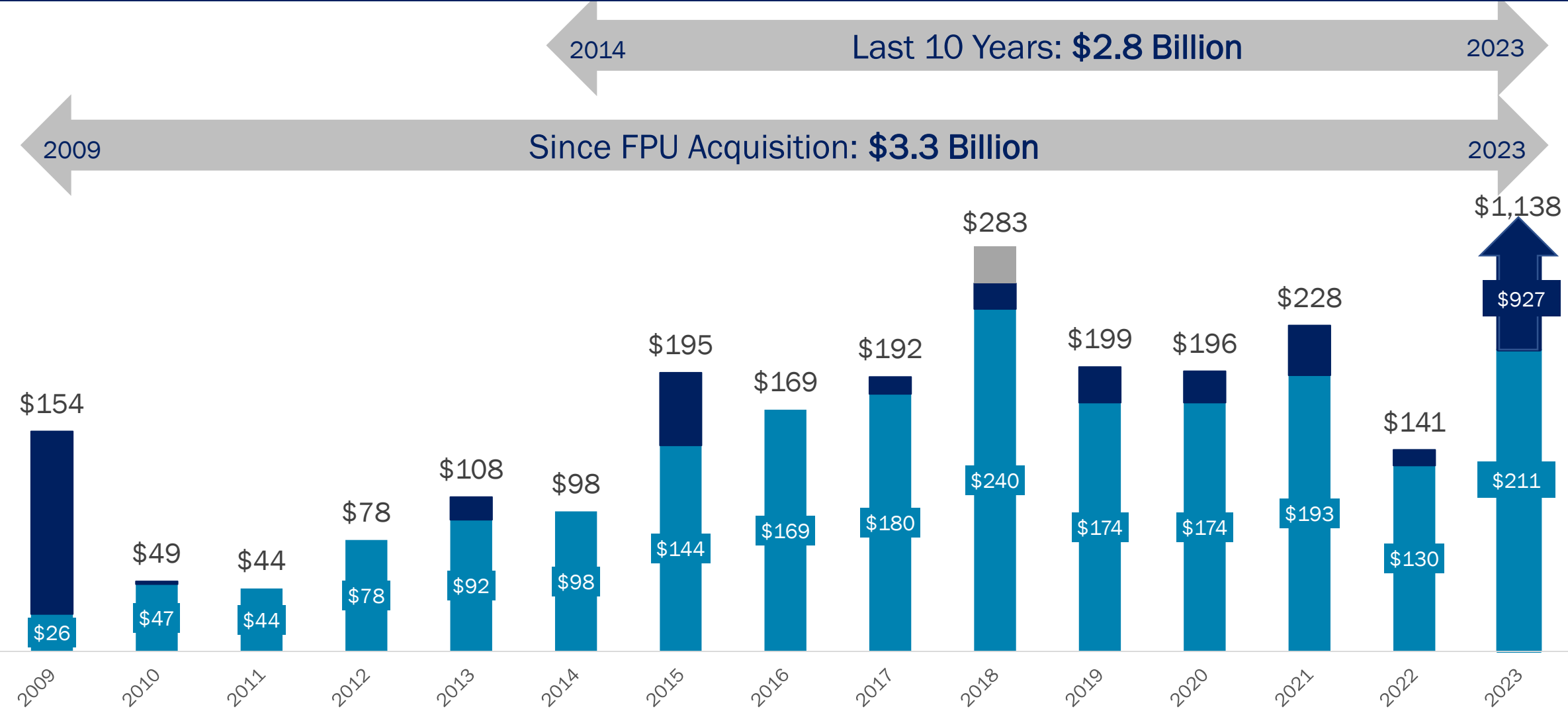


<sup>1/</sup> Diluted Earnings Per Share Growth from Continuing Operations; 2023 excludes transaction-related costs associated with the FCG acquisition



# Capital Investment Continues to Drive Our Earnings Growth

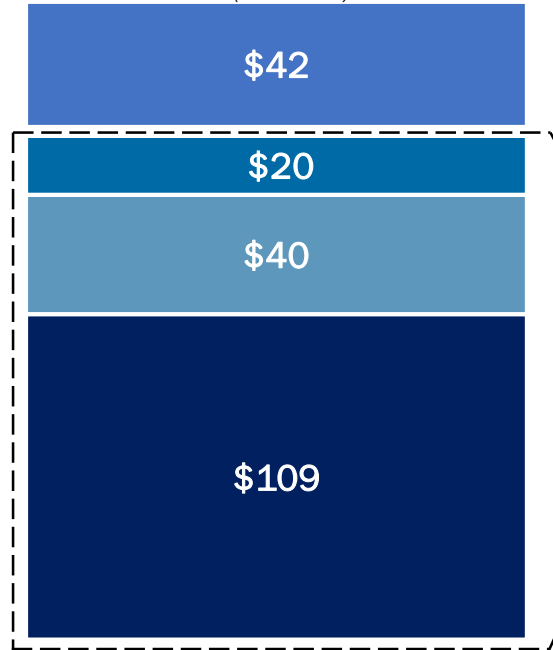
Long track record of prudent capital investments and strategic acquisitions



# Significant Investment in Our Legacy Businesses

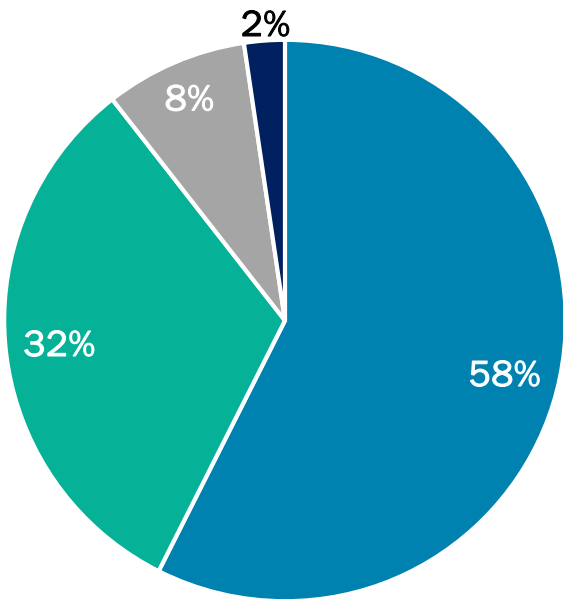
In 2023, we invested \$211 million in our legacy businesses, with 80% of that in our regulated operations

2023 Capital Investment in Legacy Businesses  
*(in millions)*



\$169M in the Regulated Businesses  
80% of Legacy Business Capital

Regulated Capital by Type



■ NG Distribution ■ NG Transmission ■ Elec. Distribution ■ Unregulated      ■ Growth ■ Infrastructure ■ Technology ■ Other

Customer growth in our service jurisdictions remains strong and will continue to drive significant capital investment through the 2028 guidance period

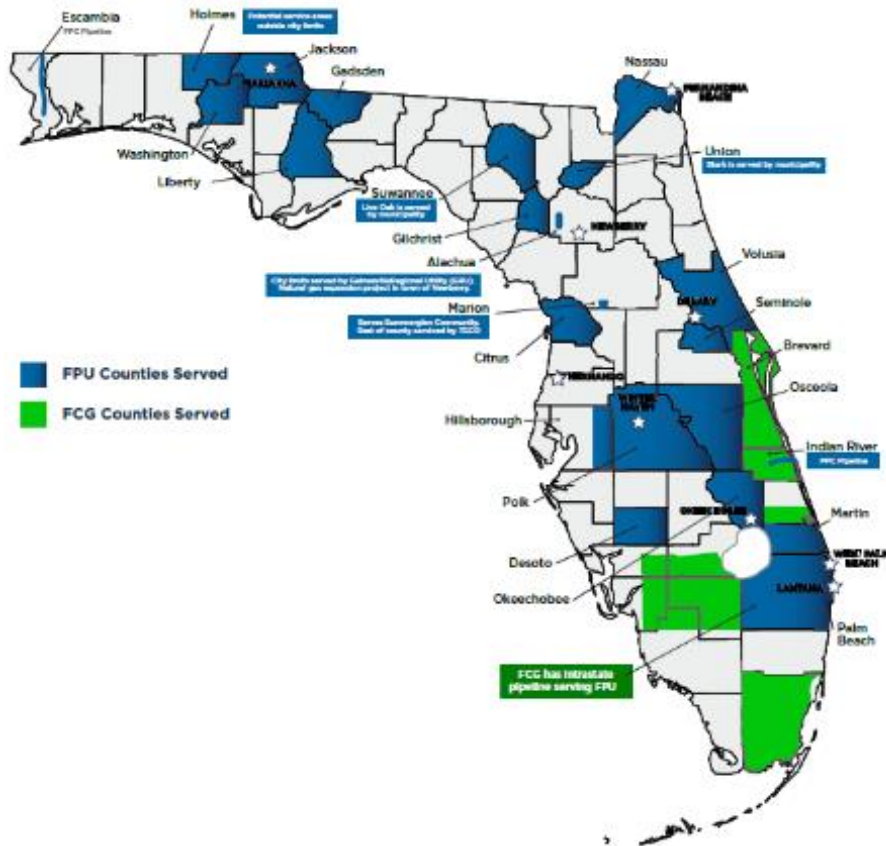
# Florida City Gas Acquisition and Integration Progress

178 Florida City Gas employees joined the Chesapeake Utilities Corporation team

**Expands Platform in Florida**  
*High growth utility jurisdiction; gas system expansion opportunities*

**Enhances Scale and Efficiency**  
*CPK has extensive operational and regulatory expertise*

**Financial Benefits**  
*Builds on CPK's track record of successful M&A*



**Largest acquisition in CPK history completed on November 30, 2023**

- Financed with net proceeds of an equity offering of \$366M and \$550M of uncollateralized senior notes
- Immediately more than doubled our customer base in Florida

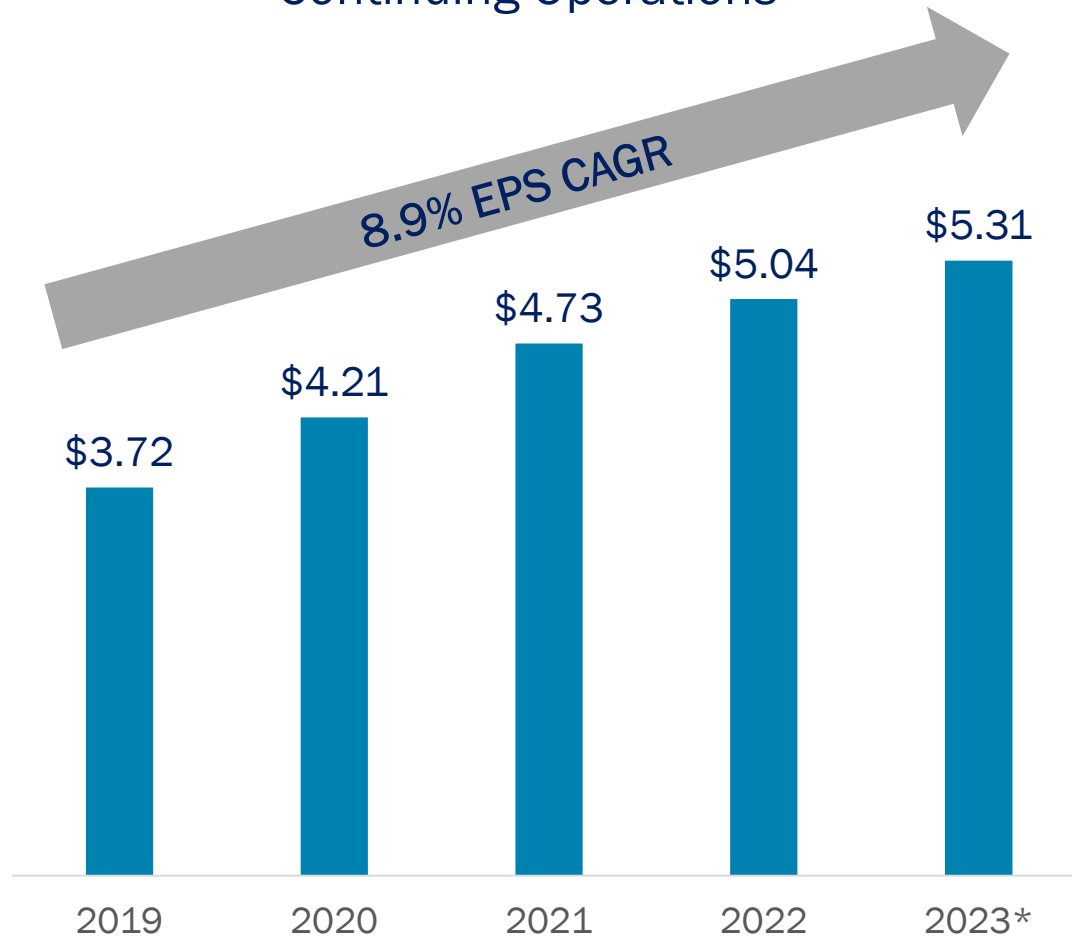
**Integration efforts are ongoing and will continue throughout 2024**

- Introduced HyperCare team to make “Day One” and near-term onboarding process as smooth as possible
- Anticipate successful integration and moving forward together as one company
- Operating synergies to continue in 2024 with expected additional benefit in future years

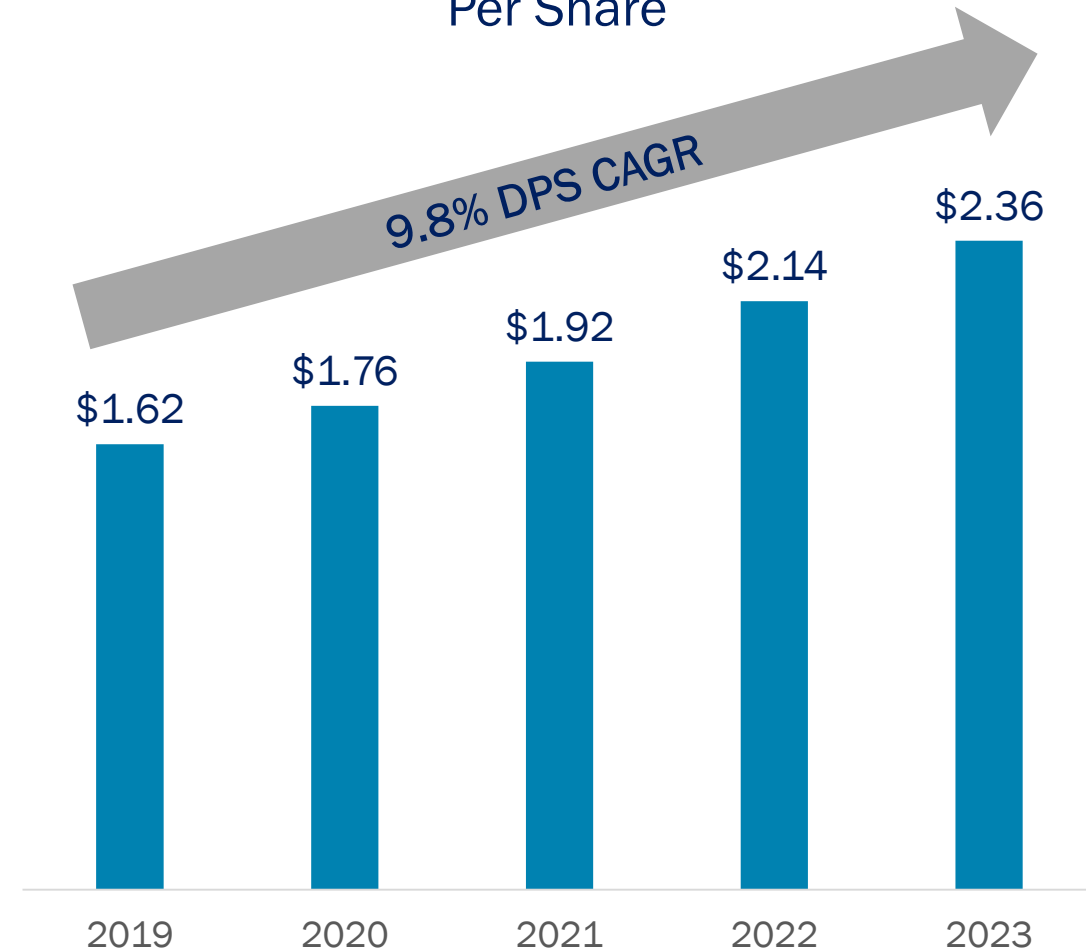
# Historical Earnings and Dividend Performance

Long history of industry leading earnings and dividend growth

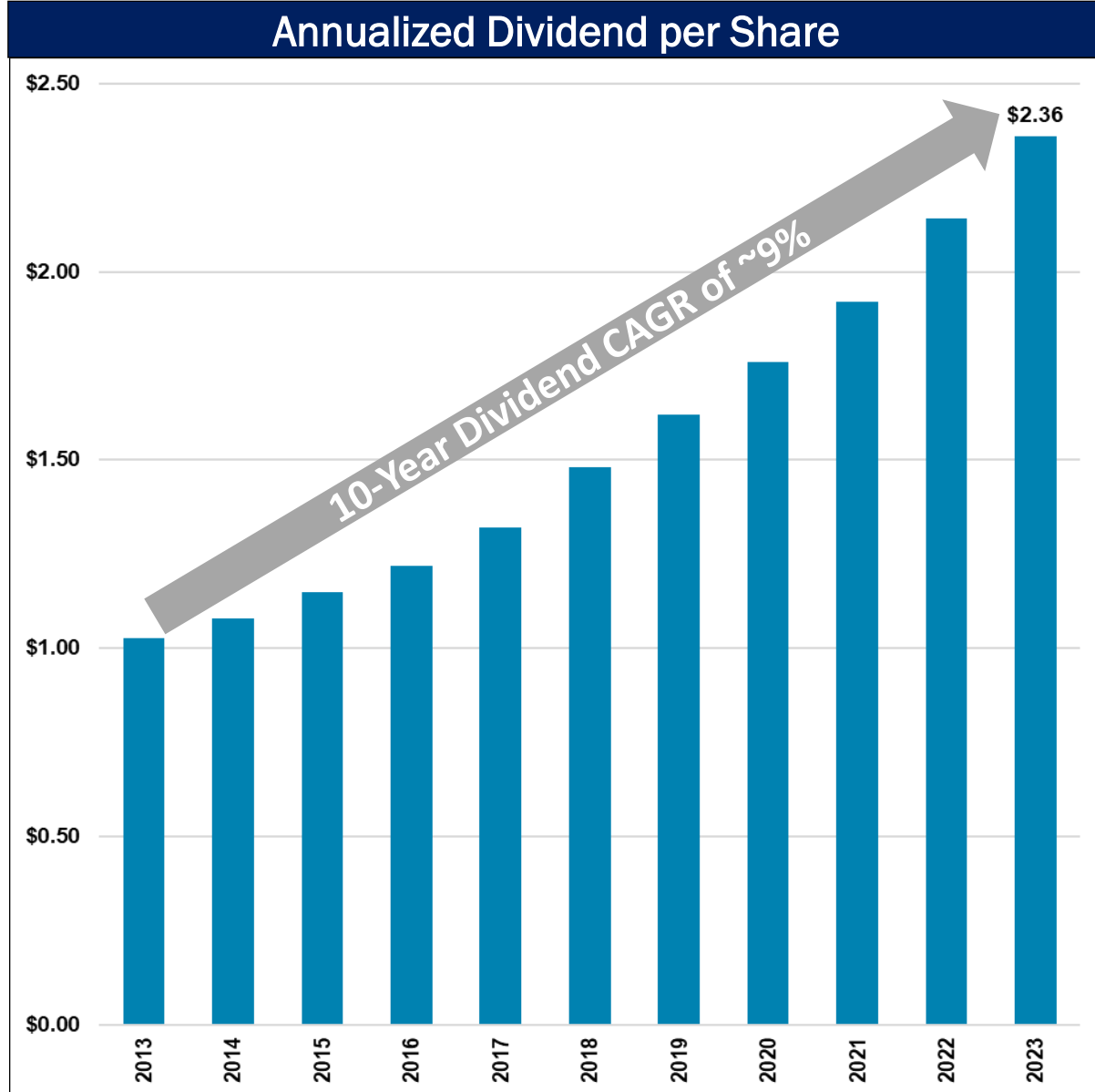
Diluted Earnings Per Share from  
Continuing Operations



Annualized Dividends  
Per Share



# Three Decades of Dividend Growth Drive Shareholder Return



## 12%+ Compound Annual Shareholder Return over 10 years

63 Consecutive Years of Dividend Payments – Since 1960

20 Consecutive Years of Dividend Increases – Since 2004

Dividend Increases 28 of the last 30 Years – Since 1994

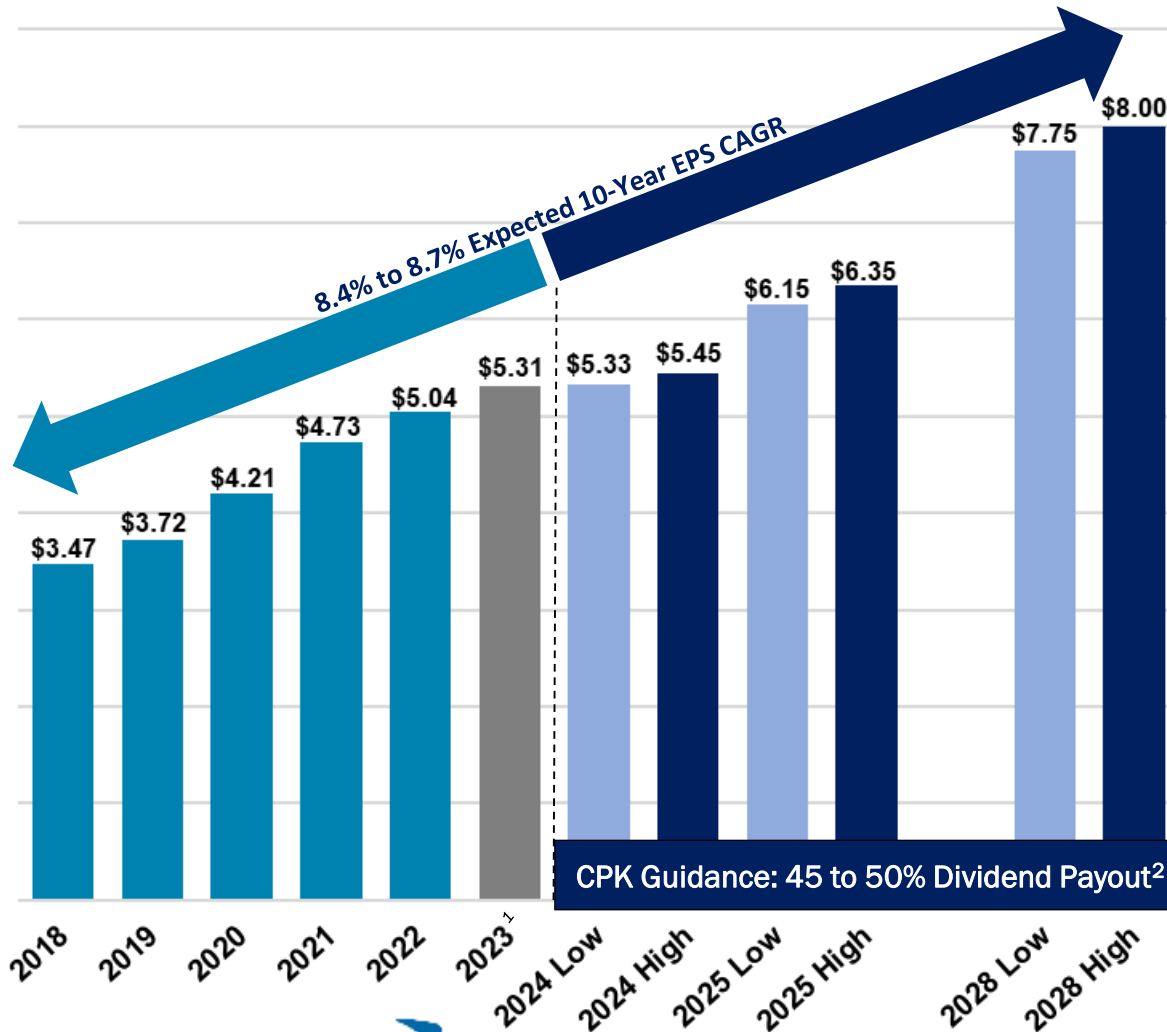
## Quarterly Dividend History

	Ex-Dividend Date	Record Date	Payable Date	Amount per Share
4Q 2023	12/14/2023	11/2/2023	1/5/2024	\$0.5900
3Q 2023	9/14/2023	8/3/2023	10/5/2023	\$0.5900
2Q 2023	6/14/2023	5/3/2023	7/5/2023	\$0.5900
1Q 2023	3/14/2023	2/22/2023	4/5/2023	\$0.5350
4Q 2022	12/14/2022	11/3/2022	1/5/2023	\$0.5350
3Q 2022	9/14/2022	8/4/2022	10/5/2022	\$0.5350
2Q 2022	6/14/2022	5/4/2022	7/5/2022	\$0.5350
1Q 2022	3/14/2022	2/23/2022	4/5/2022	\$0.4800
4Q 2021	12/14/2021	11/3/2021	1/5/2022	\$0.4800
3Q 2021	9/14/2021	8/11/2021	10/5/2021	\$0.4800
2Q 2021	6/14/2021	5/5/2021	7/6/2021	\$0.4800
1Q 2021	3/12/2021	2/24/2021	4/5/2021	\$0.4400

# Earnings Outlook Remains Bright

Future earnings expected to drive increased shareholder value

## Earnings Per Share - Diluted



Earnings Growth  
Driven by Capital  
Investment

- 2023 Earnings Per Share of \$5.31<sup>1</sup>
  - ~9% CAGR over last 10 years
  - 17 yrs of consecutive Adjusted EPS growth
- 2024 EPS Guidance of \$5.33 to \$5.45
- 2028 EPS Guidance reiterated: \$7.75 to \$8.00

Dividend Growth  
Supported by  
Earnings

- 20 Consecutive Years of Dividend Increases
- Current Annualized Dividend of \$2.36/share
  - ~9% CAGR over last 10 years
- Targeting Long-term DPO of 45 - 50%<sup>2</sup>
  - Enables CPK to reinvest more back into growth plan

Best in Class  
Shareholder  
Return

- Annual shareholder return >85<sup>th</sup> percentile among peer group<sup>3</sup> the past 5, 10, 15 & 20 year periods
- >300% increase in stock price over the past 15 years drives a \$2.1B Increase in Market Cap
- Highest P/E<sup>4</sup> ratio in peer group<sup>3</sup> at year end 2023

<sup>1</sup>Adjusted EPS excludes transaction-related expenses incurred attributable to the acquisition of FCG

<sup>2</sup>Future dividends are subject to board approval

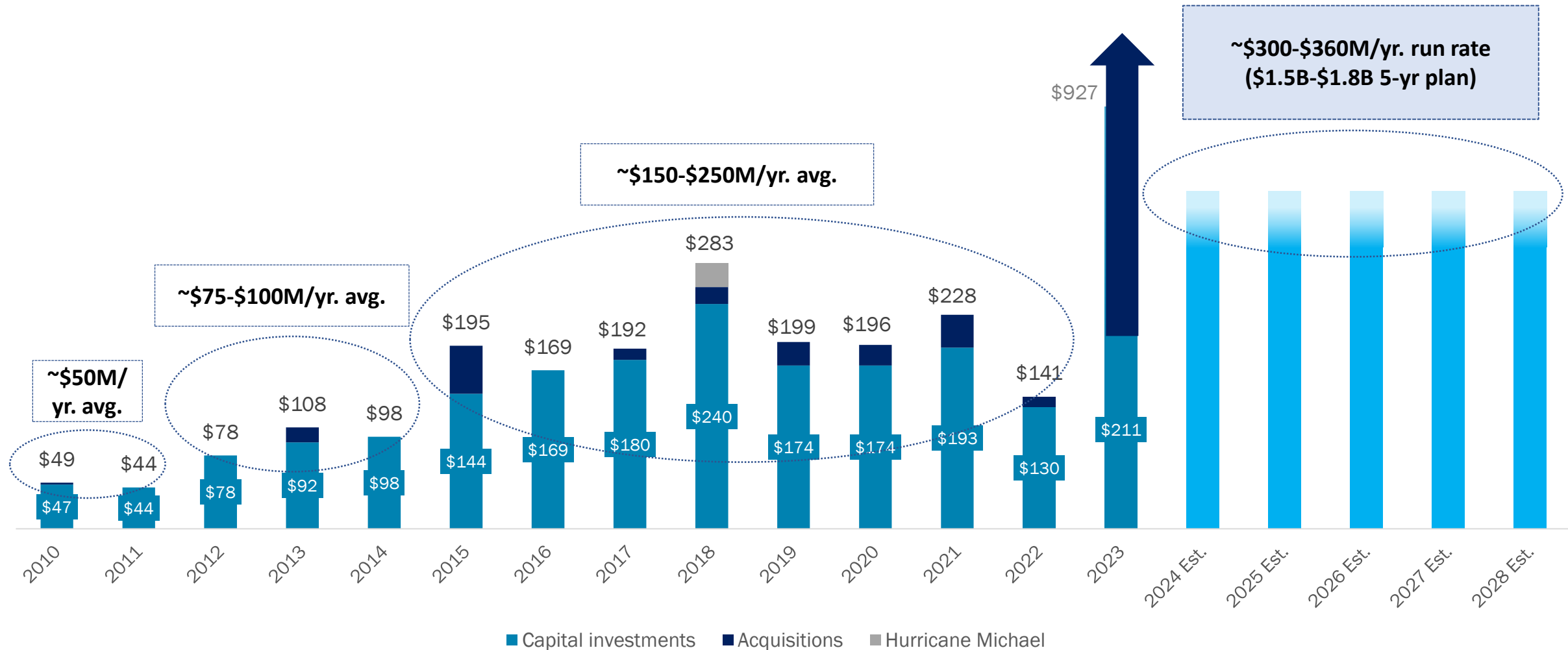
<sup>3</sup>Peer Group includes select group of 10 CKP peer companies. Details can be found in the Annual Report on Form 10-K

<sup>4</sup>Price-to-Earnings ratio based on analyst consensus next twelve months EPS



# Long Track Record of Capital Investment Expected to Continue

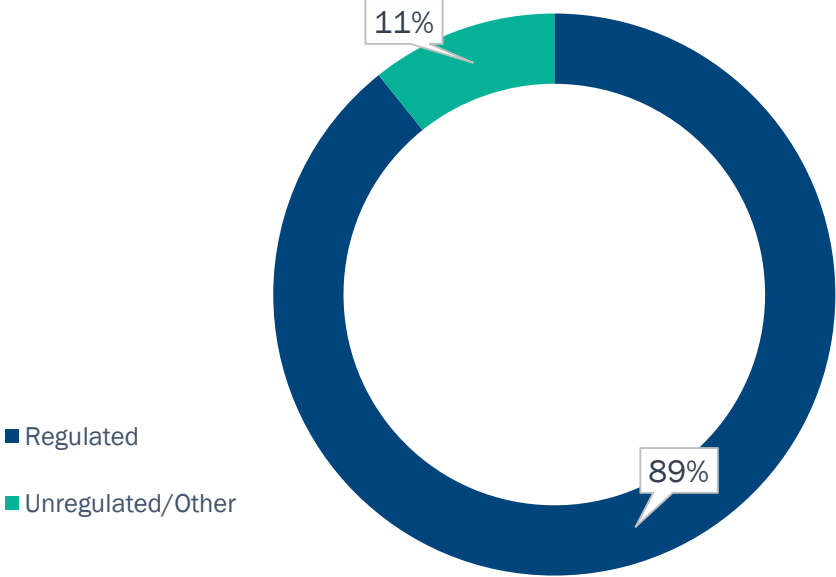
Our capital investment plan guidance is \$1.5B-\$1.8B for 2024-2028.



# 5-year Projected Capital Expenditures Breakdown

89% of our 5-year capital expenditure plan is projected to be invested into our regulated businesses.

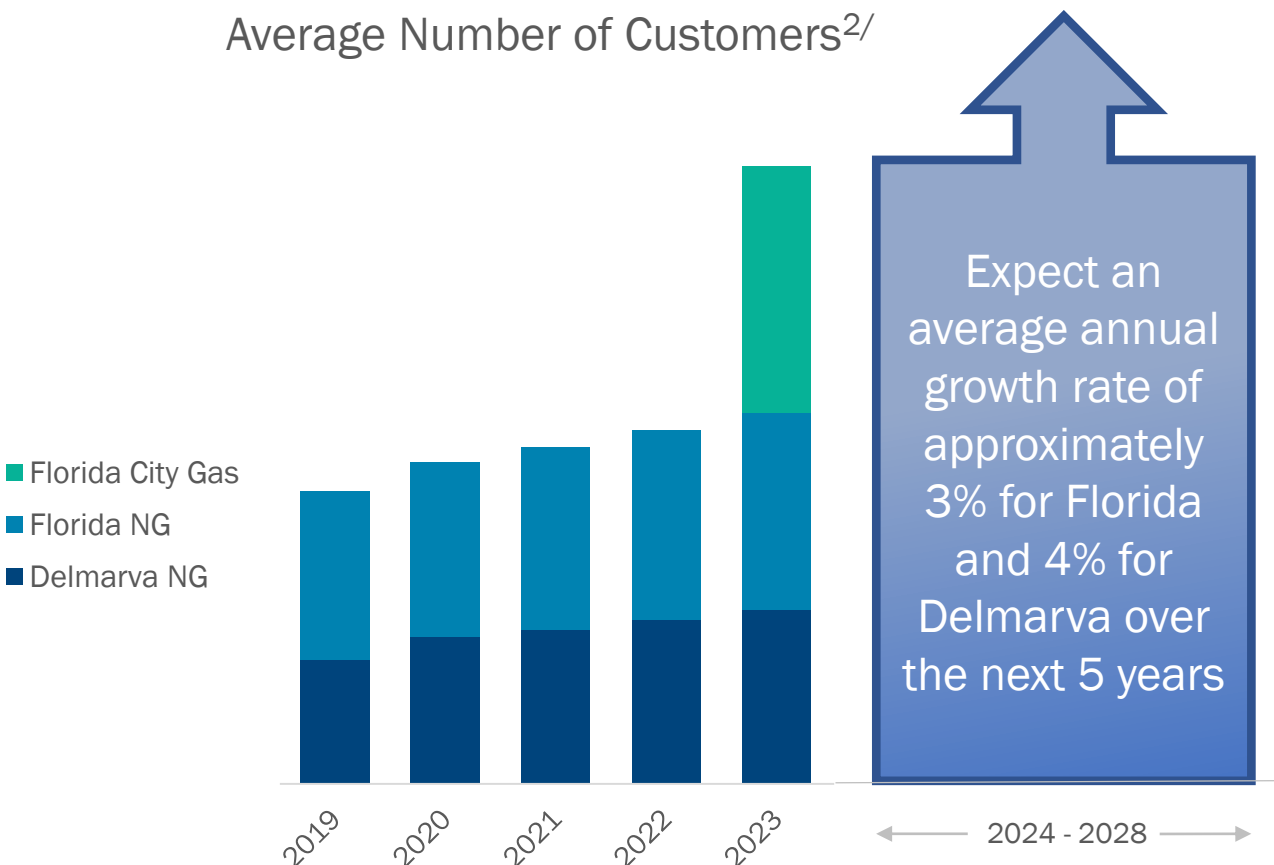
Regulated / Unregulated Forecast  
Capital Spend 2024-2028



Key Drivers of Investment Plan	
<ul style="list-style-type: none"><li>Investment in natural gas distribution systems to serve growing customer base and ensure safety and reliability (both legacy systems and FCG)</li><li>Investment in gas transmission pipelines to support the utility systems, serve large users and uphold safety and reliability, including pipeline opportunities related to the FCG acquisition</li><li>Investments in our unregulated operating business to support continued growth</li><li>Investments in sustainable energy, such as pipelines and interconnects, to create a pathway to market for sustainable fuels</li><li>Investments in technology to support enterprise resource planning and other systems necessary to support growth</li></ul>	
Spend Type	5-Year Projected Capital Investment Range (in millions)
Regulated Distribution Growth	\$600 - \$645
Regulated Transmission Growth	\$435 - \$590
Regulated Infrastructure	\$300 - \$340
Unregulated	\$140 - \$165
Technology	\$70 - \$90

# Regulated Natural Gas Distribution Customer Growth

Our average annual residential customer growth rate for our legacy natural gas distribution businesses far outpaces the national average annual customer growth rate<sup>1/</sup>.



- Above average annual growth rate for residential customers over the period 2021 to 2023
- From April 2020 to July 2023, Florida ranked 2<sup>nd</sup> in the nation for population growth <sup>3/</sup>
- Our Delaware service territory includes Sussex County, the fastest growing county in the state <sup>3/</sup>
- Growth in the Maryland counties we serve outpaced statewide growth <sup>3/</sup>
- As of the end of 2023, current backlog of 60,000 lots in existing communities

# Major Projects and Initiatives Update

Our projects and initiatives underway will continue to drive margin growth while new projects and regulatory initiatives will drive additional margin growth across our guidance period

## Project/Initiative

(in thousands)

### Pipeline Expansions:

Guernsey Power Station  
Southern Expansion  
Winter Haven Expansion  
Beachside Pipeline Extension  
North Ocean City Connector  
St. Cloud / Twin Lakes Expansion  
Clean Energy<sup>1</sup>  
Wildlight  
Lake Wales  
Newberry  
Total Pipeline Expansions

### CNG/RNG/LNG Transportation and Infrastructure

### Regulatory Initiatives:

Florida GUARD Program  
FCG SAFE Program  
Capital Cost Surcharge Programs  
Florida Rate Case Proceeding<sup>2</sup>  
Maryland Rate Case Proceeding<sup>3</sup>  
Electric Storm Protection Plan  
Total Regulatory Initiatives

### Total

	Year Ended December			Estimate for Fiscal	
	2021	2022	2023	2024	2025
\$	187	\$ 1,377	\$ 1,478	\$ 1,482	\$ 1,478
	-	-	586	2,344	2,344
	-	260	637	626	626
	-	-	1,810	2,451	2,414
	-	-	-	-	494
	-	-	264	584	584
	-	126	1,064	1,009	1,079
	-	-	471	2,000	2,038
	-	-	265	454	454
	-	-	-	862	2,585
	187	1,763	6,575	11,812	14,096
	7,566	11,100	11,181	\$ 12,500	\$ 13,969
	-	-	353	2,421	5,136
	-	-	-	2,683	5,293
	1,199	2,001	2,829	3,979	4,374
	-	2,474	15,835	17,153	17,153
	-	-	-	TBD	TBD
	-	486	1,326	2,433	3,951
	1,199	4,961	20,343	28,669	35,907
\$	8,952	\$ 17,824	\$ 38,099	\$ 52,981	\$ 63,972

Year-Over-Year Change \$ 14,882 \$ 10,991

## New projects in various stages of the regulatory / permitting process

### Worcester Resiliency Upgrade Project - \$80 million

- LNG storage peaking facility to meet critical service needs on the Delmarva Peninsula

### East Coast Reinforcement Projects - \$35.8 million

- Two projects (Boynton Beach and New Smyrna Beach) to increase supply capability and enhance reliability for FPU's distribution systems

### Central Florida Reinforcement Projects

- Two projects (Plant City, Lake Mattie) to enhance delivery to FPU's distribution systems

### FCG RNG Projects

- Several projects pending to connect locally landfill-produced RNG to FCG's distribution system

<sup>1</sup>Includes adjusted gross margin generated from interim services through the project in-service date in September 2023.

<sup>2</sup>Includes adjusted gross margin during 2023 comprised of both interim rates and permanent base rates which became effective in March 2023.

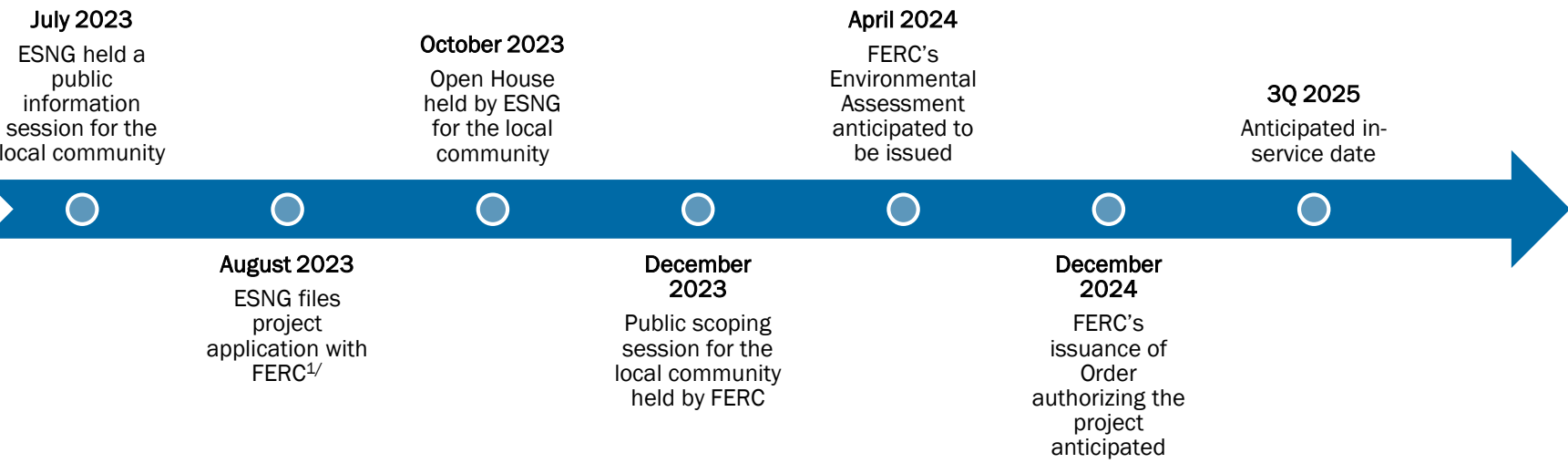
<sup>3</sup>Rate case application filed with the Maryland PSC in January 2024.

# Federal Certificate Proceeding: Worcester Resiliency Upgrade

Eastern Shore Natural Gas project designed to meet critical energy service to customers during the peak winter heating season



- \$80 million planned liquefied natural gas storage facility in Bishopville, MD
- Project consists of five low-profile horizontal storage tanks allowing for up to 0.5 million gallons of storage plus pipeline looping and additional upgrades
- Improvements will help protect against weather-related disruptions, keeping energy prices affordable
- 30-year agreements with customers



# Regulatory Strategy Drives Earnings

Rate Case Initiatives

Florida Public Utilities

- Rates became effective March 1, 2023
- \$17.2 million rate increase; allowed ROE of 10.25% and equity percentage of 55%
- Consolidated four natural gas distribution entities

Florida City Gas

- Rates became effective May 1, 2023
- \$14.1 million rate increase; allowed ROE of 8.5%-10.5%
- Reserve surplus amortization mechanism authorizes FCG to earn within its approved ROE range

Maryland LDCs

- Rate case filed January 30, 2024
- Propose consolidating our three MD distribution companies
- Separately filed combined depreciation studies

Infrastructure Programs

Florida Public Utilities and Florida City Gas

- GUARD and SAFE programs – combined projected capital investment of \$410 million over a 10-year period
- Programs enhance the safety, reliability and accessibility of portions of our Florida natural gas distribution systems

Florida Public Utilities-Electric

- Storm Protection Plan and Storm Protection Plan Cost Recovery mechanisms
- Capital investment of over \$8 million for 2023 with continued investment going forward

Eastern Shore Natural Gas

- No specified limit on capital investment or time frame
- Recovery mechanism for capital costs associated with mandated highway and railroad relocate projects and compliance with new PHMSA regulations requiring the replacement of existing ESNG facilities



# Other Key Drivers of Future Growth

## Propane Distribution



- J.T. Lee & Sons acquisition in 2023
- Strategic acquisitions and expansions within complementary markets
- Investing in community gas systems in areas not served by natural gas
- Integrating Sharp's programs and service offering to recent acquisitions (e.g., pricing programs, AutoGas, etc.)

## Marlin Gas Services



- Increased demand for CNG services
- Service offerings to support RNG, LNG and hydrogen transportation
- Interim solution for construction projects providing speed to market

## Sustainable Investments

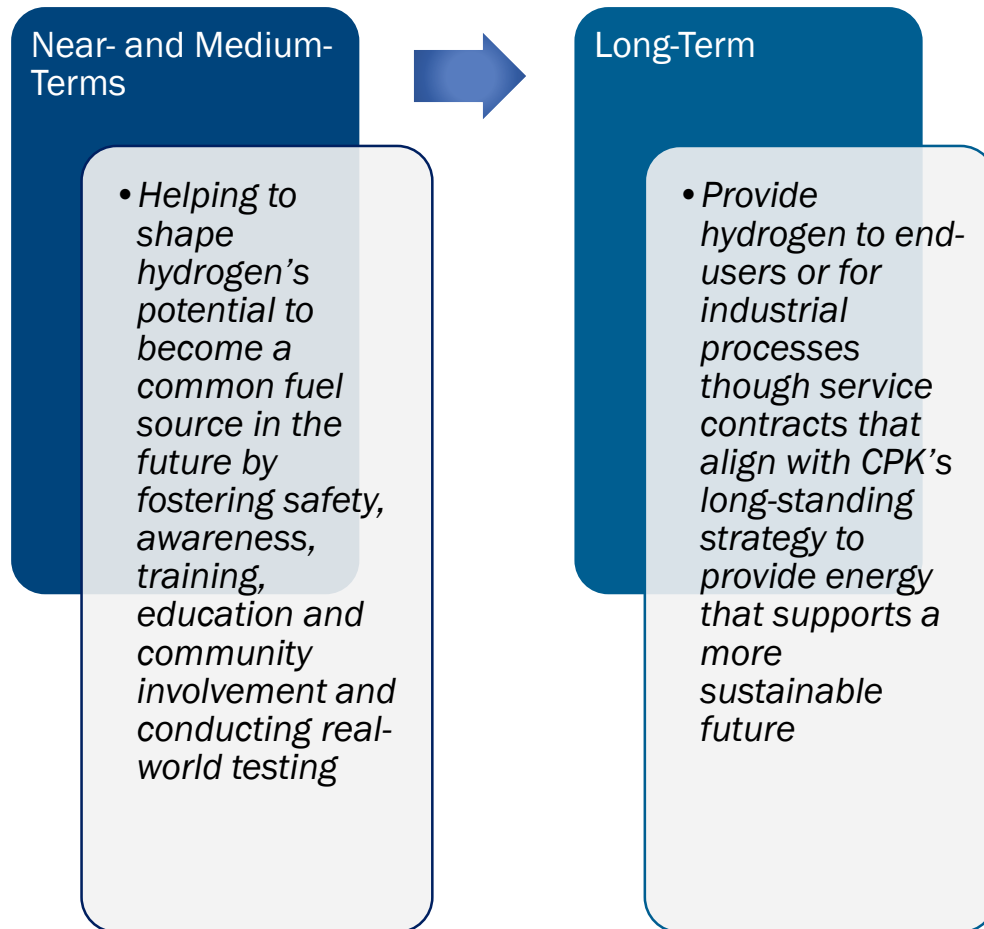


- Construction underway on first RNG facility at Full Circle Dairy and expansion of Planet Found site
- Introducing groundbreaking technology - a fully contained CNG/RNG fueled self-contained farm irrigation and waste pumping unit at Full Circle Dairy
- Member of the Mid-Atlantic Clean Hydrogen Hub (MACH2) team representing the Delaware, Philadelphia and Southern New Jersey region

# Chesapeake Utilities' Hydrogen Focus and Near-term Initiatives

Hydrogen has the potential to become a more common fuel source in the lower-carbon energy future

CPK has a two-part strategy to help educate and further hydrogen's potential as a common fuel source:



## Developing the foundation for the long-term:

- ✓ Our Marlin Gas Services subsidiary has invested in hydrogen transport trailers
- ✓ Marlin transported hydrogen for blending with natural gas at our Eight Flags CHP facility to demonstrate hydrogen is a viable option for industrial gas users
- ✓ CPK is an active participant in the Mid-Atlantic Clean Hydrogen Hub<sup>1/</sup> – MACH2™. Our role involves:
  - Promoting safety and workforce development through awareness, training and education at our state-of-the-art Safety Town facility in Dover, DE
  - Evaluating hydrogen production and delivery to the transportation sector
- ✓ Partnering with higher level educational institutions in multiple service territories to advance R&D initiatives
- ✓ Utilize Safety Town to test hydrogen on company assets, such as pipes, meters and valves to lead to greater understanding and expansion of hydrogen use



*Initiatives will continue to evolve as a greater amount of R&D related to hydrogen is conducted and legislation and regulation continue to evolve.*

# Investment Proposition – Committed to Superior Performance

We continually increase shareholder value through our:



**TRACK  
RECORD**

**Over and over, we have proven we get it done; we have a long history of top-tier earnings and dividend growth**

- Consistently beating expectations, recording 17 years of consecutive earnings per share growth\* and 20 consecutive years of increasing the dividend



**ENERGIZED  
TEAM**

**We have the expertise to balance project development and execution**

- Our team prioritizes our people, our customers, our assets and our communities while striving to deliver growth and value for our stakeholders



**FINANCIAL  
DISCIPLINE**

**We are steadfast in our commitment to top quartile earnings performance & maintaining a strong balance sheet**

- Providing EPS guidance for 2024 between \$5.33 to \$5.45 and reaffirming our targeted 2025 EPS between \$6.15 to \$6.35, growing to \$7.75 to \$8.00 by 2028, an 8% CAGR over the period



**PLATFORMS  
FOR GROWTH**

**We identify and execute steady, return-oriented capital investments across our business units**

- Building on our most recent five-year expenditures of \$1.9 billion, our cap ex guidance of \$1.5 billion to \$1.8 billion through 2028, driven by our legacy businesses and benefits from Florida City Gas acquisition

**CHESAPEAKE  
UTILITIES  
CORPORATION**

## Appendix

# GAAP to Non-GAAP Reconciliation – Consolidated Results

(in thousands)

## Operating Revenues

### Cost of Sales:

Natural gas, propane and electric costs

Depreciation & amortization

Operations & maintenance expense<sup>1</sup>

## Gross Margin (GAAP)

Operations & maintenance expense<sup>1</sup>

Depreciation & amortization

## Adjusted Gross Margin (non-GAAP)

Fourth Quarter		Change		Fiscal Year		Change	
2023	2022	\$	%	2023	2022	\$	%
\$ 185,335	\$ 187,300	\$ (1,965)	-1.0%	\$ 670,604	\$ 680,704	\$(10,100)	-1.5%
(55,004)	(72,003)	16,999	-23.6%	(216,481)	(260,506)	44,025	-16.9%
(13,404)	(17,441)	4,037	-23.1%	(65,501)	(68,973)	3,472	-5.0%
(11,395)	(17,589)	6,194	-35.2%	(58,649)	(65,288)	6,639	-10.2%
<u>105,532</u>	<u>80,267</u>	<u>25,265</u>	<u>31.5%</u>	<u>329,973</u>	<u>285,937</u>	<u>44,036</u>	<u>15.4%</u>
11,395	17,589	(6,194)	-35.2%	58,649	65,288	(6,639)	-10.2%
<u>13,404</u>	<u>17,441</u>	<u>(4,037)</u>	<u>-23.1%</u>	<u>65,501</u>	<u>68,973</u>	<u>(3,472)</u>	<u>-5.0%</u>
\$ 130,331	\$ 115,297	\$ 15,034	13.0%	\$ 454,123	\$ 420,198	\$ 33,925	8.1%

<sup>1</sup> Operations & maintenance expenses within the Consolidated Statements of Income are presented in accordance with regulatory requirements and to provide comparability within the industry. Operations & maintenance expenses which are deemed to be directly attributable to revenue producing activities have been separately presented above in order to calculate Gross Margin as defined under US GAAP. See Chesapeake Utilities' Annual Report on Form 10-K for the year ended December 31, 2022 for additional details.

# GAAP to Non-GAAP Reconciliation – Adjusted Net Income and EPS

*(in thousands, except shares and per share data)*

## Net Income (GAAP)

Transaction-related expenses, net<sup>1</sup>

## Adjusted Net Income (Non-GAAP)

Weighted average common shares outstanding - diluted

## Earnings Per Share - Diluted (GAAP)

Transaction-related expenses, net<sup>1</sup>

## Adjusted Earnings Per Share - Diluted (Non-GAAP)

Fourth Quarter		Fiscal Year	
2023	2022	2023	2022
\$ 25,328	\$ 26,150	\$ 87,212	\$ 89,796
<u>7,727</u>	<u>-</u>	<u>10,625</u>	<u>-</u>
\$ <u>33,055</u>	\$ 26,150	\$ <u>97,837</u>	\$ 89,796
<u>20,178,402</u>	<u>17,825,935</u>	<u>18,434,857</u>	<u>17,804,294</u>
\$ 1.26	\$ 1.47	\$ 4.73	\$ 5.04
<u>0.38</u>	<u>-</u>	<u>0.58</u>	<u>-</u>
\$ <u>1.64</u>	\$ 1.47	\$ <u>5.31</u>	\$ 5.04