

128 bill. cu. ft. (23% interruptible, 50% residential, commercial & firm transportation, 27% other). N.J. Natural Energy subsidiary pro-

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New Jersey Resources delivered a strong fiscal 2024 second-quarter performance. (Fiscal year ends September 30th.) Despite a lower-than-expected revenue figure due to falling natural gas prices, the company's cost structure allowed earnings to remain unfettered. Indeed, net financial earnings exceeded our projections, landing at \$1.41 per share, well above the prior year's tally. This brings the total for the first six months of fiscal 2024 to \$2.15, just shy of the \$2.30 in the year before, which was boosted by a unique winter storm. The performance was bolstered by significant capital investments of more than \$850 million since the last rate case in 2021. Too, the company's SAVEGREEN program, a large energy efficiency filing, helped in catering to New increasingly sustainability-Jersev's focused regulatory climate. Despite some broader headwinds, the company continues to manage its operating costs well.

We have raised our earnings outlook for the next two years. The energy services segment is poised to contribute to our increased expectations due to the earlier mentioned SAVEGREEN program within

context of a particularly strong residential construction market and efficiency incentives in its operating region. On a similar note, Clean Energy Ventures is experiencing rapid deployment with 34 megawatts under construction and a solar pipeline of over 870 megawatts of investment opportunities. Most importantly for sustainable earnings performances henceforth is a new rate case progressing through regulatory channels that should amplify earnings performance substantially in fiscal 2026, if passed.

New Jersey's regional strength provides a solid base for sustainable growth. With a favorable regulatory backdrop characterized by a commitment to the transition to sustainable energy systems, infrastructure investment opportunities are wide, which will help to grow the company's earnings base for the foreseeable future.

The stock remains favorable for low risk and steady income characteristics. The issue has returned about 6% over the past three months but still offers decent value from its income component Earl B. Humes May 24, 2024

(A) Fiscal year ends Sept. 30th.(B) Diluted earnings. Qtly. revenues and egs. may not sum to total due to rounding and change in shares outstanding. Next earnings

1104.2

545%

Past

-3.0% 7.0%

5.0%

QUARTERLY REVENUES (\$ mill.) A

367.6

5523

264.1

450

460

d.15

d.04

.10

0.5

.05

.3125

.3325

.3625

.39

EARNINGS PER SHARE AB

QUARTERLY DIVIDENDS PAID C =

Mar.31 Jun.30 Sep.30 Dec.31

Dec.31 Mar.31 Jun.30

802.2

912.3

644.0

657.9

575

Dec.31 Mar.31 Jun.30

1.36

1.16

1 41

1.45

.3125

.3325

.3625

.39

.42

806.6

520%

-6.0% 4.5% 2.5%

6.5% 7.0%

Sep.30

532.5

765.5

331.3

574 9

Sep.30

.07

.50

.30

.75

.75

.3325

3625

.3625

.39

485

Past Est'd '21-'23

789 1 480%

5.0%

5.0%

5.0% 4.5%

Full Fisca Year

2156.6

2906.0

1963.0

2150

2200

Full Fiscal Year

2.16

2.50

2.70

2.95

3.00

Year

1.27

1.36

1.45

1.56

Current Liab

Fix. Chg. Cov.

ANNUAL RATES

of change (per sh)

Revenues "Cash Flow"

Dividends Book Value

454.3

675.8

723.6

467.2

.46

69

1.14

74

.75

.3125

.3325

.3625

.39

.42

680

Earnings

Fiscal

Ends

2021

2022

2023

2024

2025

Fiscal Year Ends

2021

2022

2023

2024

2025

Cal-

endar

2020

2021

2022

2023

2024

report due early August.
(C) Dividends historically paid in early Jan.,
April, July, and October. • Dividend reinvestment plan available.

(D) Includes regulatory assets in 2023: \$585 million, \$6.00/share.

(E) In millions, adjusted for 3/15 split

Company's Financial Strength Stock's Price Stability 85 Price Growth Persistence 40 **Earnings Predictability** 60

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