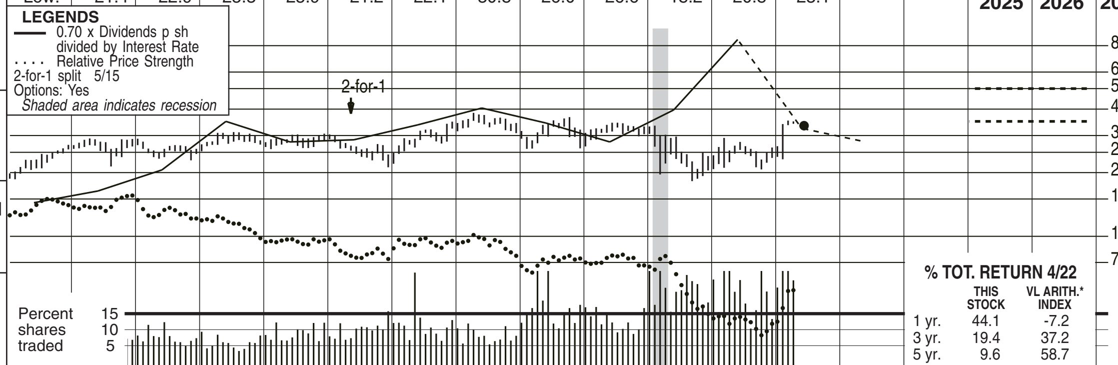
SOUTH JERSEY INDS. NYSE-SJI

RECENT PRICE 33.38 | P/E RATIO 19.1 (Trailing: 19.9; Median: 19.0) | RELATIVE P/E RATIO 1.18 | DIV'D YLD 3.7% | VALUE LINE

TIMELINESS – Suspended 3/11/22
SAFETY 3 Lowered 8/28/20
TECHNICAL – Suspended 3/11/22
BETA 1.00 (1.00 = Market)

High:	29.0	29.0	31.1	30.6	30.4	34.8	38.4	36.7	34.5	33.4	29.2	35.3
Low:	21.4	22.9	25.3	25.9	21.2	22.1	30.8	26.0	26.6	18.2	20.8	23.1

LEGENDS
— 0.70 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 5/15
Options: Yes
Shaded area indicates recession



Target Price Range
2025 | 2026 | 2027

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$12-$44	$28 (-15%)

2025-27 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+50%)	14%
Low	35	(+5%)	6%

Institutional Decisions

	1Q2021	2Q2021	3Q2021
to Buy	141	132	125
to Sell	89	106	90
Hld's(000)	102245	105367	102702

% TOT. RETURN 4/22

	THIS STOCK	VL ARITH.* INDEX
1 yr.	44.1	-7.2
3 yr.	19.4	37.2
5 yr.	9.6	58.7

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
15.88	16.15	16.18	14.19	15.48	13.71	11.16	11.18	12.98	13.52	13.04	15.63	19.20	17.63	15.32	16.98	**18.50**	**19.05**	Revenues per sh	21.60
1.75	1.60	1.74	1.86	2.10	2.23	2.34	2.48	2.67	2.42	2.67	2.79	2.91	2.56	3.32	3.32	**2.90**	**3.25**	"Cash Flow" per sh	4.25
1.23	1.05	1.14	1.19	1.35	1.45	1.52	1.52	1.57	1.44	1.34	1.23	1.38	1.12	1.68	1.62	**1.75**	**1.95**	Earnings per sh A	2.70
.46	.51	.56	.61	.68	.75	.83	.90	.96	1.02	1.06	1.10	1.13	1.16	1.19	1.22	**1.25**	**1.28**	Div'ds Decl'd per sh B ■	1.50
1.26	.94	1.04	1.83	2.79	3.20	4.01	4.84	5.01	4.87	3.50	3.43	3.99	5.46	4.84	4.53	**5.65**	**6.35**	Cap'l Spending per sh	8.00
7.55	8.12	8.67	9.12	9.54	10.33	11.63	12.64	13.65	14.62	16.22	14.99	14.82	15.41	16.51	16.95	**20.85**	**22.45**	Book Value per sh C	24.80
58.65	59.22	59.46	59.59	59.75	60.43	63.31	65.43	68.33	70.97	79.48	79.55	85.51	92.39	100.59	117.34	**115.00**	**118.00**	Common Shs Outst'g D	125.00
11.9	17.2	15.9	15.0	16.8	18.4	16.9	18.9	18.0	17.9	21.7	27.9	22.6	28.3	14.9	15.1	*Bold figures are*	*Value Line estimates*	Avg Ann'l P/E Ratio	16.0
.64	.91	.96	1.00	1.07	1.15	1.08	1.06	.95	.90	1.14	1.40	1.22	1.51	.77	.82			Relative P/E Ratio	.90
3.2%	2.8%	3.1%	3.4%	3.0%	2.8%	3.2%	3.1%	3.4%	3.9%	3.6%	3.2%	3.6%	3.7%	4.8%	5.0%			Avg Ann'l Div'd Yield	3.5%
						706.3	731.4	887.0	959.6	1036.5	1243.1	1641.3	1628.6	1541.4	1992.0	**2125**	**2250**	Revenues ($mill)	2700
						93.3	97.1	104.0	99.0	102.8	98.1	116.2	103.0	163.0	178.0	**195**	**225**	Net Profit ($mill)	330
						10.8%	--	--	5.9%	42.0%	--	--	--	9.9%	22.0%	**21.0%**	**21.0%**	Income Tax Rate	21.0%
						13.2%	13.3%	11.7%	10.3%	9.9%	7.9%	7.1%	6.3%	10.6%	8.9%	**9.2%**	**10.0%**	Net Profit Margin	12.2%
						45.0%	45.1%	48.0%	49.2%	38.5%	48.5%	62.4%	59.2%	62.6%	61.6%	**58.5%**	**57.5%**	Long-Term Debt Ratio	57.0%
						55.0%	54.9%	52.0%	50.8%	61.5%	51.5%	37.6%	40.8%	37.4%	38.4%	**41.5%**	**42.5%**	Common Equity Ratio	43.0%
						1337.6	1507.4	1791.9	2043.9	2097.2	2315.4	3373.9	3493.9	4437.3	5178.2	**5800**	**6250**	Total Capital ($mill)	7250
						1578.0	1859.1	2134.1	2448.1	2623.8	2700.2	3653.5	4073.5	4464.2	4912.3	**5200**	**5600**	Net Plant ($mill)	6500
						7.4%	6.8%	6.4%	5.4%	5.4%	5.1%	4.4%	4.0%	4.8%	4.6%	**4.5%**	**4.5%**	Return on Total Cap'l	5.5%
						12.7%	11.7%	11.2%	9.5%	8.0%	8.2%	9.2%	7.2%	9.8%	9.0%	**8.0%**	**8.5%**	Return on Shr. Equity	10.5%
						12.7%	11.7%	11.2%	9.5%	8.0%	8.2%	9.2%	7.2%	9.8%	9.0%	**8.0%**	**8.5%**	Return on Com Equity	10.5%
						5.8%	4.8%	4.3%	2.8%	1.6%	.9%	1.7%	NMF	2.9%	2.2%	**2.0%**	**3.0%**	Retained to Com Eq	4.5%
						55%	59%	61%	71%	80%	89%	82%	NMF	70%	75%	**74%**	**67%**	All Div'ds to Net Prof	57%

CAPITAL STRUCTURE as of 3/31/22
Total Debt $3344.3 mill. **Due in 5 Yrs** $278.5 mill.
LT Debt $3187.6 mill. **LT Interest** $120.0 mill.

Leases, Uncapitalized Annual rentals $1.1 mill.
Pension Assets-12/21 $331 mill. **Oblig.** $351.6 mill.

Pfd Stock None

Common Stock 122,407,427 shs. as of 2/15/22

MARKET CAP: $4.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2020	2021	3/31/22
Cash Assets	34.0	28.8	32.5
Other	472.8	610.2	644.9
Current Assets	506.8	639.0	677.4
Accts Payable	256.6	330.2	358.6
Debt Due	739.2	400.1	156.8
Other	167.8	225.4	293.4
Current Liab.	1163.6	955.7	808.8
Fix. Chg. Cov.	238%	275%	276%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '25-'27
Revenues	1.5%	5.0%	4.5%
"Cash Flow"	4.0%	3.5%	5.5%
Earnings	1.0%	.5%	10.5%
Dividends	6.0%	3.5%	4.0%
Book Value	5.5%	2.0%	5.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	637.3	266.9	261.2	463.2	1628.6
2020	534.1	260.0	261.5	485.8	1541.4
2021	674.3	311.8	365.6	640.3	1992.0
2022	824.6	**335**	**380**	**585.4**	**2125**
2023	**850**	**360**	**415**	**625**	**2250**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	1.09	d.13	d.30	.46	1.12
2020	1.15	d.01	d.06	.62	1.68
2021	1.19	.02	d.17	.58	1.62
2022	1.25	**.02**	**d.12**	**.58**	**1.75**
2023	**1.35**	**.04**	**d.06**	**.62**	**1.95**

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	--	.280	.280	.567	1.13
2019	--	.287	.287	.582	1.16
2020	--	.295	.295	.598	1.19
2021	--	.303	.303	.613	1.22
2022	--	.310			

BUSINESS: South Jersey Industries, Inc. is a holding company. The company distributes natural gas in New Jersey and Maryland. South Jersey Gas rev. mix '21: residential, 48%; commercial, 23%; cogen. and electric gen., 9%; industrial, 20%. Acq. Elizabethtown Gas and Elkton Gas, 7/18. Nonutil. oper. incl. South Jersey Energy, South Jersey Resources Group, South Jersey Exploration, Marina Energy, South Jersey Energy Service Plus, and SJI Midstream. Has about 1,173 empl. Off./dir. own less than 1% of common; BlackRock, 14.4%; State Street Corporation, 13.9%; The Vanguard Group, 10.8% (3/21 proxy). Pres. & CEO: Michael J. Renna. Chairman: Joseph M. Rigby. Inc.: NJ. Addr.: 1 South Jersey Plaza, Folsom, NJ 08037. Tel.: 609-561-9000. Web: www.sjindustries.com.

South Jersey Industries has agreed to be acquired by Infrastructure Investments Fund for $36.00 per share in cash. This represents an enterprise value of about $8.1 billion. The transaction was unanimously approved by the company's board of directors, and is expected to close in the fourth quarter of this year, subject to customary conditions.

Assuming completion, the company will become a private entity and its shares will no longer trade on the New York Stock Exchange. Following its acquisition, South Jersey is expected to remain at its present location and be run by the current management team.

Revenue advanced at a strong pace for the March quarter. Utility South Jersey Gas benefited from growth in the customer base and infrastructure replacement programs. On the nonutility side, results at the Energy Management line were supported by more robust asset optimization opportunities and improved contributions from consulting activities and appliance service contract fees. However, operating expenses also increased considerably, and bottom-line results were less impressive for the recent period. Looking forward, top-line comparisons ought to remain positive in the second and third quarters. The company's utility operations should be able to capitalize on the popularity of natural gas within its service territories. Earnings will probably remain roughly flat in the June period, but we anticipate that the deficit will narrow in the September quarter, assuming a measure of cost control. Infrastructure modernization, as well as clean energy and decarbonization initiatives, should also provide support. We envision solid performance from the nonutility side going forward.

This stock is unranked for year-ahead relative price performance, due to the aforementioned merger. On its own, the issue offers uninspiring long-term total return potential. The stock is now trading fairly close to the price that Infrastructure Investments Fund will probably pay to acquire the company. Moreover, should the deal fall through, then these shares would most likely decline significantly in price. Stockholders should consider selling their position, in our view.

Michael Napoli, CFA *May 27, 2022*

(A) Based on economic egs. from 2007. GAAP EPS: '12, $1.49; '13, $1.28; '14, $1.46; '15, $1.52; '16, $1.56; '17, ($0.04); '18, $0.21; '19, $0.84; '20, $1.62; '21, $0.81. Excl. nonrecur. gain (loss): '12, ($0.03); '13, ($0.24); '14, ($0.11); '15, $0.08; '16, $0.22; '17, ($1.27); '18, ($1.17); '19, ($0.28); '20, ($0.06); '21, ($0.81). Totals may not sum due to rounding. Next egs. rpt. due early Aug. (B) Div'ds paid early April, July, Oct., and late Dec. ■ Div. reinvest. plan avail. (C) Incl. reg. assets. In 2021: $672.4 mill., $5.73 per shr. (D) In mill., adj. for split.

Company's Financial Strength	B++
Stock's Price Stability	50
Price Growth Persistence	15
Earnings Predictability	70