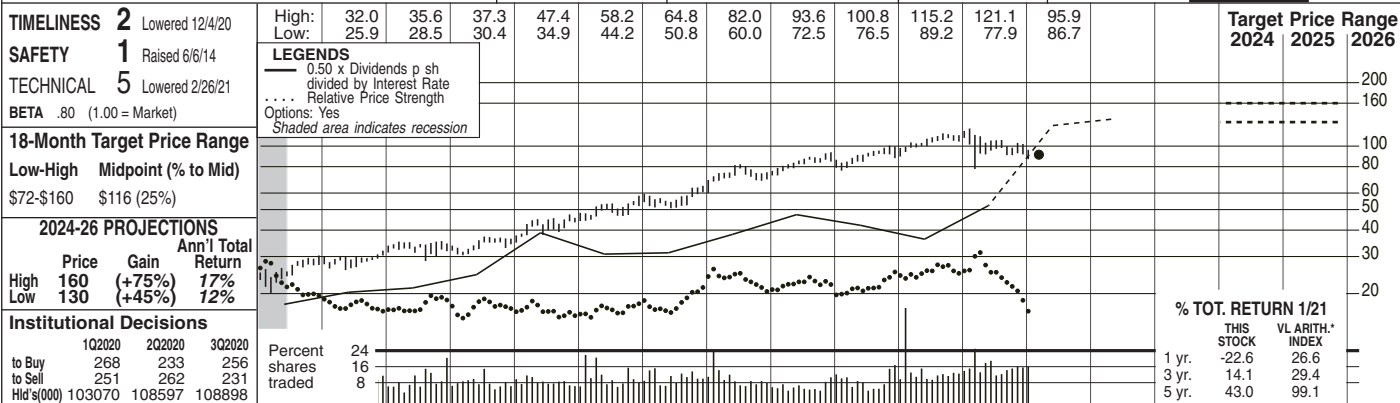


ATMOS ENERGY CORP. NYSE-ATO

RECENT PRICE **91.05** P/E RATIO **18.2** (Trailing: 18.3) (Median: 19.0) RELATIVE P/E RATIO **0.85** DIV'D YLD **2.9%** **VALUE LINE**



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC 24-26	
61.75	75.27	66.03	79.52	53.69	53.12	48.15	38.10	42.88	49.22	40.82	32.23	26.01	28.00	24.32	22.41	22.55	22.85	Revenues per sh ^A	35.50
3.90	4.26	4.14	4.19	4.29	4.64	4.72	4.76	5.14	5.42	5.81	6.19	6.62	7.24	7.57	8.03	8.40	8.85	"Cash Flow" per sh	10.25
1.72	2.00	1.94	2.00	1.97	2.16	2.26	2.10	2.50	2.96	3.09	3.38	3.60	4.00	4.35	4.72	5.00	5.35	Earnings per sh ^{AB}	6.50
1.24	1.26	1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.48	1.56	1.68	1.80	1.94	2.10	2.30	2.50	2.70	Div'ds Decl'd per sh ^C	3.30
4.14	5.20	4.39	5.20	5.51	6.02	6.90	8.12	9.32	8.32	9.61	10.46	10.72	13.19	14.19	15.38	15.80	15.75	Cap'l Spending per sh	15.15
19.90	20.16	22.01	22.60	23.52	24.16	24.98	26.14	28.47	30.74	31.48	33.32	36.74	42.87	48.18	53.95	61.35	69.20	Book Value per sh	87.85
80.54	81.74	89.33	90.81	92.55	90.16	90.30	90.24	90.64	100.39	101.48	103.93	106.10	111.27	119.34	125.88	133.00	137.00	Common Shs Outst'g ^D	155.00
16.1	13.5	15.9	13.6	12.5	13.2	14.4	15.9	15.9	16.1	17.5	20.8	22.0	21.7	23.2	22.3	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	22.5
.86	.73	.84	.82	.83	.84	.90	1.01	.89	.85	.88	1.09	1.11	1.17	1.24	1.13			Relative P/E Ratio	1.25
4.5%	4.7%	4.2%	4.8%	5.3%	4.7%	4.2%	4.1%	3.5%	3.1%	2.9%	2.4%	2.3%	2.2%	2.1%	2.2%			Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 12/31/20		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC 24-26	
Total Debt \$5125.1 mill. Due in 5 Yrs \$210.0 mill.		4347.6	3438.5	3886.3	4940.9	4142.1	3349.9	2759.7	3115.5	2901.8	2821.1	3000	3130	Revenues (Smill) ^A	5500						
LT Debt \$5124.9 mill. LT Interest \$270.0 mill.		199.3	192.2	230.7	289.8	315.1	350.1	382.7	444.3	511.4	580.5	660	725	Net Profit (Smill)	1000						
(LT interest earned: 9.5x; total interest coverage: 9.5x)		36.4%	33.8%	38.2%	39.2%	38.3%	36.4%	36.6%	27.0%	21.4%	19.5%	23.0%	23.0%	Income Tax Rate	25.0%						
Leases, Uncapitalized Annual rentals \$20.4 mill.		4.6%	5.6%	5.9%	5.9%	7.6%	10.5%	13.9%	14.3%	17.6%	20.6%	22.0%	23.2%	Net Profit Margin	18.2%						
Pfd Stock None		49.4%	45.3%	48.8%	44.3%	43.5%	38.7%	44.0%	34.3%	38.0%	40.0%	40.0%	40.0%	Long-Term Debt Ratio	40.0%						
Pension Assets-9/20 \$528.9 mill.		50.6%	54.7%	51.2%	55.7%	56.5%	61.3%	56.0%	65.7%	62.0%	60.0%	60.0%	60.0%	Common Equity Ratio	60.0%						
Oblig. \$604.2 mill.		4461.5	4315.5	5036.1	5542.2	5650.2	5651.8	6965.7	7263.6	9279.7	11323	13600	15800	Total Capital (Smill)	22700						
Common Stock 128,160,695 shs. as of 1/29/21		5147.9	5475.6	6030.7	6725.9	7430.6	8280.5	9259.2	10371	11788	13355	14500	15650	Net Plant (Smill)	19100						
MARKET CAP: \$11.7 billion (Large Cap)		6.1%	6.1%	5.9%	6.4%	6.6%	7.2%	6.4%	6.9%	6.1%	5.5%	6.0%	6.0%	Return on Total Cap'l	5.5%						
CURRENT POSITION (SMILL)		8.8%	8.1%	8.9%	9.4%	9.9%	10.1%	9.8%	9.3%	8.9%	8.6%	8.0%	7.5%	Return on Shr. Equity	7.5%						
Cash Assets 24.5		8.8%	8.1%	8.9%	9.4%	9.9%	10.1%	9.8%	9.3%	8.9%	8.6%	8.0%	7.5%	Return on Com Equity	7.5%						
Other 433.5		3.3%	2.8%	4.0%	4.7%	4.9%	5.1%	4.9%	4.8%	4.6%	4.4%	4.0%	4.0%	Retained to Com Eq	3.5%						
Current Assets 458.0		62%	65%	56%	50%	51%	50%	50%	48%	48%	49%	50%	51%	All Div'ds to Net Prof	51%						
Accts Payable 265.0		BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to over three million customers through six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Gas sales breakdown for fiscal 2020: 68.6%, residential; 26.2%, commercial; 3.6%, industrial; and 1.6% other. The company sold Atmos Energy Marketing, 1/17. Officers and directors own approximately 1.4% of common stock (12/19 Proxy). President and Chief Executive Officer: Kevin Akers. Incorporated: Texas. Address: Three Lincoln Centre, Suite 1800, 5430 LBJ Freeway, Dallas, Texas 75240. Telephone: 972-934-9227. Internet: www.atmosenergy.com.																			
Debt Due 464.9		Atmos Energy got off to a great start in fiscal 2021 (ends September 30th). Indeed, first-quarter share net of \$1.71 was around 16% above the year-ago tally of \$1.47. That was made possible partly by the natural gas distribution unit, which benefited from higher rates, mainly in the Mid-Tex, Mississippi, Louisiana, and West Texas divisions. Customer growth, primarily in the Mid-Tex unit, and a decline in operating expenses also helped. Elsewhere, results of the pipeline and storage business received a boost from a GRIP filing approved in May, 2020 plus lower system maintenance costs. Assuming no major COVID-19-related disruptions, consolidated share net may advance around 6%, to \$5.00, relative to last year's \$4.72 tally. Concerning fiscal 2022, we expect the bottom line to rise at a similar percentage rate, to \$5.35 a share, as operating margins widen further.																			
Other 479.5		This year's capital expenditures are expected to be between \$2 billion and \$2.2 billion. This would be about 8.5% higher than the fiscal 2020 figure if the midpoint of that range is used. Similar to prior periods, a meaningful portion of the																			
Current Liab. 1209.4		resources are being deployed to enhance the safety and reliability of Atmos' natural gas distribution and transmission systems. We believe that the fiscal 2022 capital spending budget will be a bit above the present level.																			
Fix. Chg. Cov. 990%		Value Line is optimistic about the company's performance out to 2024-2026. It ranks as one of the nation's biggest natural gas-only distributors, boasting more than three million customers across several states, including Texas, Louisiana, and Mississippi. Moreover, we think the pipeline and storage unit has healthy overall growth prospects, since it operates in one of the most-active drilling regions in the world. Lastly, the balance sheet is in solid condition. In Atmos' current configuration, annual earnings increases might be between 6% and 8% over the 3- to 5-year period.																			

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26		
of change (per sh)	-8.5%	-11.0%	6.0%		
Revenues	5.5%	7.0%	5.0%		
"Cash Flow"	8.0%	9.0%	7.0%		
Earnings	5.0%	7.5%	7.5%		
Dividends	7.5%	10.0%	10.5%		
Book Value					

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^A				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2018	889.2	1219.4	562.2	444.7	3115.5
2019	877.8	1094.6	485.7	443.7	2901.8
2020	875.6	977.6	493.0	474.9	2821.1
2021	914.5	1060	525	500.5	3000
2022	960	1105	545	520	3130

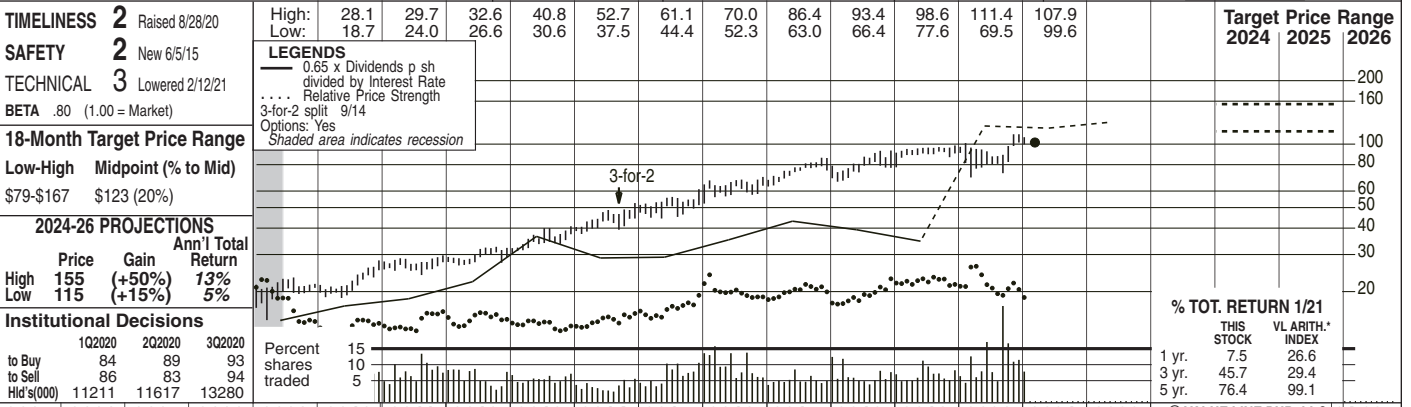
Fiscal Year Ends	EARNINGS PER SHARE ^{A B E}				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2018	1.40	1.57	.64	.41	4.00
2019	1.38	1.82	.68	.49	4.35
2020	1.47	1.95	.79	.53	4.72
2021	1.71	1.99	.78	.52	5.00
2022	1.82	2.07	.85	.61	5.35

Calendar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.45	.45	.45	.485	1.84
2018	.485	.485	.485	.525	1.98
2019	.525	.525	.525	.575	2.15
2020	.575	.575	.575	.625	2.35
2021					

(A) Fiscal year ends Sept. 30th. (B) Diluted shrs. Excl. nonrec. gains (loss): '10, 5c; '11, 11c; '18, \$1.43; '20, 17c. Excludes discontinued operations: '11, 10c; '12, 27c; '13, 14c; '17, 13c. Next qtrs. rpt. due early May. (C) Dividends historically paid in early March, June, Sept., and Dec. Div. reinvestment plan. Direct stock purchase plan avail. (D) In millions. (E) Qtrs may not add due to change in shrs outstanding.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	95
Earnings Predictability	100

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2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
26.02	23.05	25.41	28.46	19.07	29.93	29.13	27.26	30.73	34.19	30.07	30.60	37.79	43.81	29.24	28.55	33.35	37.85	Revenues per sh	55.30
2.35	2.18	2.52	2.50	2.15	3.50	3.69	3.95	4.35	4.73	5.05	5.16	5.42	6.47	6.50	7.60	8.35	9.20	"Cash Flow" per sh	11.90
1.18	1.15	1.29	1.39	1.43	1.82	1.91	1.99	2.26	2.47	2.68	2.86	2.68	3.45	3.72	4.05	4.25	4.50	Earnings per sh ^A	5.75
.76	.77	.78	.81	.83	.87	.91	.96	1.01	1.07	1.12	1.19	1.26	1.39	1.55	1.69	1.83	1.96	Div'ds Decl'd per sh ^B	2.40
3.74	4.87	3.08	3.00	1.89	3.18	3.28	5.00	6.72	6.66	9.47	10.42	10.73	16.47	11.26	11.40	11.80	12.15	Cap'l Spending per sh	13.50
9.60	11.08	11.76	12.02	14.89	15.84	16.78	17.82	19.28	20.59	23.45	27.36	29.75	31.65	34.23	36.75	41.40	45.40	Book Value per sh	51.05
8.82	10.03	10.17	10.24	14.09	14.29	14.35	14.40	14.46	14.59	15.27	16.30	16.34	16.38	16.40	17.50	18.00	18.50	Common Shs Outst'g ^C	23.50
16.8	17.9	16.7	14.2	14.2	12.2	14.2	14.8	15.6	17.7	19.1	21.8	27.8	22.9	24.7	22.4	22.4	22.4	Avg Ann'l P/E Ratio	23.5
.89	.97	.89	.85	.95	.78	.89	.94	.88	.93	.96	1.14	1.40	1.24	1.32	1.15	1.15	1.15	Relative P/E Ratio	1.30
3.8%	3.8%	3.6%	4.1%	4.1%	3.9%	3.4%	3.3%	2.9%	2.4%	2.2%	1.9%	1.7%	1.8%	1.7%	1.9%	1.9%	1.9%	Avg Ann'l Div'd Yield	1.8%

CAPITAL STRUCTURE as of 9/30/20		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC		24-26
Total Debt \$752.0 mill. Due in 5 Yrs \$380.0 mill.		418.0	392.5	444.3	498.8	459.2	498.9	617.6	717.5	479.6	500	600	700	Revenues (\$mill)	1300							
LT Debt \$520.0 mill. LT Interest \$15.0 mill.		27.6	28.9	32.8	36.1	40.2	44.7	43.8	56.6	61.1	67.0	72.0	80.0	Net Profit (\$mill)	130							
(LT interest earned: 4.7%; total interest coverage: 4.7x) (46% of Cap'l)		39.4%	40.1%	40.2%	39.9%	39.5%	38.8%	39.5%	27.1%	25.6%	24.5%	25.0%	25.5%	Income Tax Rate	27.5%							
Leases, Uncapitalized Annual rentals \$2.1 mill.		6.6%	7.4%	7.4%	7.2%	8.8%	9.0%	7.1%	7.9%	12.7%	13.4%	12.0%	11.4%	Net Profit Margin	10.0%							
Pfd Stock None		31.4%	28.4%	29.7%	34.5%	29.4%	23.5%	28.9%	37.9%	43.9%	45.5%	44.0%	45.0%	Long-Term Debt Ratio	40.0%							
Pension Assets-12/19 \$54.3 mill. Oblig. \$71.5 mill.		68.6%	71.6%	70.3%	65.5%	70.6%	76.5%	71.1%	62.1%	56.1%	54.5%	56.0%	56.0%	Common Equity Ratio	60.0%							
Common Stock 17,460,906 shs. as of 10/30/20		351.1	358.5	396.4	458.8	507.5	583.0	683.7	834.5	1001.7	1180	1330	1500	Total Capital (\$mill)	2000							
MARKET CAP: \$1.8 billion (Mid Cap)		487.7	541.8	631.2	689.8	855.0	986.7	1126.0	1384.0	1463.8	1620	1800	2000	Net Plant (\$mill)	2550							
		8.9%	8.8%	8.8%	8.5%	8.9%	8.6%	7.3%	7.8%	7.2%	7.0%	6.5%	6.5%	Return on Total Cap'l	8.0%							
		11.5%	11.2%	11.8%	12.0%	11.2%	10.0%	9.0%	10.9%	10.9%	10.5%	9.5%	9.5%	Return on Shr. Equity	11.0%							
		11.5%	11.2%	11.8%	12.0%	11.2%	10.0%	9.0%	10.9%	10.9%	10.5%	9.5%	9.5%	Return on Com Equity	11.0%							
		6.6%	6.4%	7.1%	7.4%	6.8%	6.1%	4.9%	6.7%	6.5%	6.0%	5.5%	5.0%	Retained to Com Eq	6.0%							
		42%	43%	40%	38%	40%	39%	45%	39%	40%	44%	46%	45%	All Div'ds to Net Prof	43%							

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 Energy operation wholesales and distributes propane; markets natural gas; and provides other unregulated energy services, including midstream services in Ohio. Revenue breakdown for 2019: Regulated Energy, 71.5%; Unregulated Energy, 32.1%; Other, d3.6%. Officers and directors own 3.1% of common stock; T. Rowe Price, 14.1% (4/20 Proxy). CEO: Jeffrey M. Householder. Inc.: DE. Address: 909 Silver Lake Boulevard, Dover, DE 19904. Tel.: (302) 734-6799. Internet: www.chpk.com.

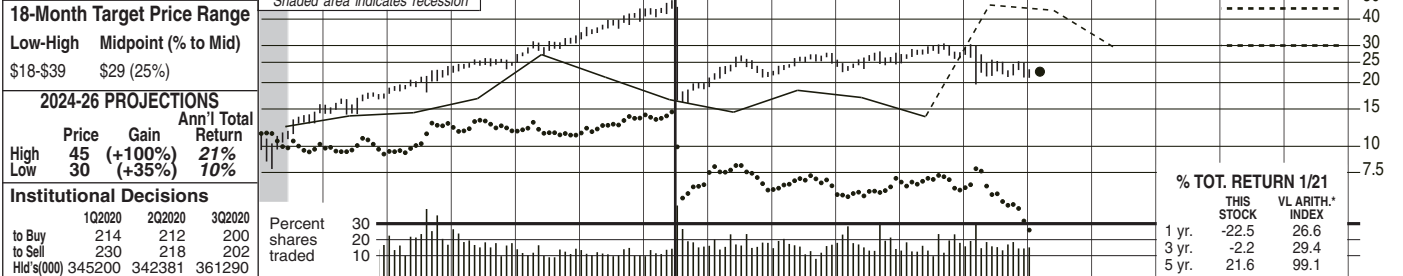
We anticipate a respectable profit increase for Chesapeake Utilities in the new year. (Please be aware that fourth-quarter, 2020 numbers were not available when this report went to press.) That better showing should be made possible partly by the Regulated Energy division, supported by such factors as service expansion projects and internal growth within the natural gas distribution business. The income tax rate ought to stay at a relatively low level, as well. We're also assuming there will be no significant pandemic-related disruptions. Notably, through the first nine months of last year, the impact of COVID-19 decreased the bottom line by \$0.22 a share. (Regulatory relief is expected for costs incurred as a result of that health crisis, however.) So, at this juncture, it seems that share net will end up around \$4.25, which would be some 5% higher than our 2020 target of \$4.05. Regarding next year, we think a similar percentage advance, to \$4.50 a share, is plausible. One contributor should be incremental benefits from acquisitions, including last October's \$6.7 million purchase of Western Natural Gas Company,

which provides propane distribution services to about 4,000 customers throughout Jacksonville, Florida and the surrounding communities. **Our 2024-2026 projections indicate that steady dividend hikes will take place.** Moreover, the equity's payout ratio during that time frame might be in the neighborhood of 45%, which should not place a major financial burden on Chesapeake Utilities. **These shares ought to attract the interest of some investors.** For one thing, they're ranked to outperform the broader market averages over the coming year (Timeliness 2: Above Average). Capital appreciation potential in the 18-month period looks solid, too. Other pluses include the 2 (Above Average) Safety rank, high score for Price Stability (i.e., 85 out of 100), plus lower-than-market Beta coefficient. **Even so, the current dividend yield of 1.8% is nothing to write home about when stacked against the average of Value Line's Natural Gas Utility Industry.** Frederick L. Harris, III February 26, 2021

(A) Diluted shrs. Excludes nonrecurring items: '08, d7c; '15, 6c; '17, 87c. Excludes discontinued operations: '19, 24c; '20, 1c. Quarters for 2019 don't equal total because of rounding. Next earnings report due early May. (B) Dividends historically paid in early January, April, July, and October. ■ Dividend reinvestment plan. Direct stock purchase plan available. (C) In millions, adjusted for split.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	90
Earnings Predictability	95

TIMELINESS 4 Lowered 12/11/20	High: 18.0, 24.0, 26.2, 33.5, 44.9, 49.2, 26.9, 27.8, 28.1, 30.7, 30.5, 23.2	Low: 14.1, 17.7, 22.3, 24.8, 32.1, 16.0, 19.0, 21.7, 22.4, 24.7, 19.6, 21.1	Target Price Range 2024 2025 2026
SAFETY 2 Raised 11/29/19	LEGENDS 0.50 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession		
TECHNICAL 5 Lowered 2/5/21			
BETA .85 (1.00 = Market)			



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
28.97	27.37	28.96	32.36	24.02	22.99	21.33	16.31	18.04	20.47	14.58	13.90	14.46	13.74	13.63	12.22	14.05	14.95	Revenues per sh	18.30
3.14	3.18	3.20	3.32	2.96	3.19	2.98	3.13	3.41	3.60	2.27	2.71	2.07	2.82	3.03	3.10	3.25	3.10	"Cash Flow" per sh	4.40
1.08	1.14	1.14	1.34	.84	1.06	1.05	1.37	1.57	1.67	.63	1.00	.39	1.30	1.32	1.32	1.40	1.60	Earnings per sh A	2.30
.92	.92	.92	.92	.92	.92	.92	.94	.98	1.02	.83	.64	.70	.78	.80	.84	.88	.92	Div'd Decl'd per sh B	1.04
2.17	2.33	2.88	3.54	2.81	2.88	3.99	4.83	5.99	6.42	4.26	4.57	5.03	4.88	4.72	4.70	4.70	4.70	Cap'l Spending per sh	4.70
18.09	18.32	18.52	17.24	17.54	17.63	17.71	17.90	18.77	19.54	12.04	12.60	12.82	13.08	13.36	13.75	14.20	14.85	Book Value per sh C	17.65
272.62	273.65	274.18	274.26	276.79	279.30	282.18	310.28	313.68	316.04	319.11	323.16	337.02	372.36	382.14	383.00	384.00	385.00	Common Shs Outst'g D	385.00
21.4	19.2	18.8	12.1	14.3	15.3	19.4	17.9	18.9	22.7	37.3	23.2	64.4	19.3	21.2	18.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
1.14	1.04	1.00	.73	.95	.97	1.22	1.14	1.06	1.19	1.88	1.22	3.24	1.04	1.13	.97			Relative P/E Ratio	.90
4.0%	4.2%	4.3%	5.7%	7.6%	5.7%	4.5%	3.8%	3.3%	2.7%	3.5%	2.8%	2.8%	3.1%	2.9%	3.4%			Avg Ann'l Div'd Yield	3.5%

CAPITAL STRUCTURE as of 9/30/20				2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	24-26
Total Debt \$10618.5 mill. Due in 5 Yrs \$2196 mill.				6019.1	5061.2	5657.3	6470.6	4651.8	4492.5	4874.6	5114.5	5208.9	4681.7	5400	5750	Revenues (\$mill)	7045					
LT Debt \$9208.9 mill. LT Interest \$379 mill.				303.8	410.6	490.9	530.7	198.6	328.1	128.6	463.3	494.7	490	530	605	Net Profit (\$mill)	875					
(Interest cov. earned: 2.2x) (63% of Cap'l)				35.0%	34.4%	34.8%	36.9%	41.6%	35.7%	71.0%	19.7%	20.2%	21.0%	21.0%	21.0%	Income Tax Rate	22.0%					
Leases, Uncapitalized Annual rentals \$27.2 mill.				--	--	--	--	--	--	--	--	2.9%	2.0%	2.0%	2.0%	AFUDC % to Net Profit	2.0%					
Pension Assets-12/19 \$2.3 bill. Oblig. \$2.7 bill.				55.6%	55.1%	56.3%	56.9%	60.7%	59.8%	63.5%	55.3%	56.8%	55.5%	55.0%	55.0%	Long-Term Debt Ratio	55.0%					
Pfd Stock \$880 mill. Pfd Div'd \$28.5 mill.				44.4%	44.9%	43.7%	43.1%	39.3%	40.2%	36.5%	37.9%	36.9%	44.5%	45.0%	45.0%	Common Equity Ratio	45.0%					
Common Stock 383,212,193 shs. as of 10/26/20				11264	12373	13480	14331	9792.0	10129	11832	12856	13843	15875	16115	16465	Total Capital (\$mill)	17565					
MARKET CAP: \$8.6 billion (Large Cap)				11800	12916	14365	16017	12112	13068	14360	15543	16912	15750	16000	16250	Net Plant (\$mill)	17500					
CURRENT POSITION				4.4%	5.0%	5.2%	5.3%	4.0%	5.0%	2.6%	5.0%	4.9%	3.0%	3.5%	3.5%	Return on Total Cap'l	5.0%					
2018				6.1%	7.4%	8.3%	8.6%	5.2%	8.1%	3.0%	8.1%	8.3%	8.0%	8.5%	9.0%	Return on Shr. Equity	11.5%					
2019				6.1%	7.4%	8.3%	8.6%	5.2%	8.1%	3.0%	9.3%	8.6%	8.0%	8.5%	9.0%	Return on Com Equity	11.5%					
9/30/20				.9%	2.5%	3.1%	3.4%	NMF	3.0%	NMF	3.7%	2.7%	2.5%	2.5%	3.5%	Retained to Com Eq	6.0%					
(SMILL.)				85%	67%	62%	61%	NMF	63%	NMF	61%	72%	72%	69%	63%	All Div'ds to Net Prof	49%					

BUSINESS: NiSource Inc. is a holding company for Northern Indiana Public Service Company (NIPSCO), which supplies electricity and gas to the northern third of Indiana. Customers: 472,000 electric in Indiana, 3,500,000 million gas in Indiana, Ohio, Pennsylvania, Kentucky, Virginia, Maryland, through its Columbia subsidiaries. Revenue breakdown, 2019: electrical, 33%; gas, 67%; other, less than 1%. Generating sources, 2018: coal, 69.4%; purchased & other, 30.6%. 2019 reported depreciation rates: 2.9% electric, 2.2% gas. Has 8,087 employees. Chairman: Richard L. Thompson. President & Chief Executive Officer: Joseph Hamrock. Incorporated: Indiana. Address: 801 East 86th Avenue, Merrillville, Indiana 46410. Telephone: 877-647-5990. Internet: www.nisource.com.

ANNUAL RATES					Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '24-'26
of change (per sh)					-7.0%	-5.5%	5.0%
Revenues					-2.0%	-5.0%	6.5%
"Cash Flow"					-1.0%	-8.0%	10.0%
Earnings					-2.0%	-5.0%	4.5%
Dividends					-3.0%	-7.0%	4.5%
Book Value							

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	1750.8	1007.0	895.0	1461.7	5114.5
2019	1869.8	1010.4	931.5	1397.2	5208.9
2020	1605.5	962.7	902.5	1211.0	4681.7
2021	1680	1040	1075	1605	5400
2022	1765	1125	1160	1700	5750

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	.77	.07	.10	.38	1.30
2019	.82	.05	--	.45	1.32
2020	.76	.13	.09	.34	1.32
2021	.78	.15	.12	.35	1.40
2022	.83	.20	.17	.40	1.60

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.175	.175	.175	.175	.70
2018	.195	.195	.195	.195	.78
2019	.200	.200	.200	.200	.80
2020	.21	.21	.21	.21	.84
2021	.22				

(A) Dil. EPS. Excl. nonrec. gains (losses): '05, (4c); gains (losses) on disc. ops.: '05, 10c; '06, (11c); '07, 3c; '08, (\$1.14); '15, (30c); '18, (\$1.48). Next eps. report due late May. Qtl'y
(B) Div'ds historically paid in mid-Feb., May, Aug., Nov. ■ Div'd reinv. avail.
(C) Incl. intang in '19: \$1485.9 million.
(D) In mill.
(E) Spun off Columbia Pipeline Group (7/15)

Company's Financial Strength B++
Stock's Price Stability 95
Price Growth Persistence 30
Earnings Predictability 45

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NEW JERSEY RES. NYSE-NJR

RECENT PRICE **36.62** P/E RATIO **22.2** (Trailing: 18.6; Median: 17.0) RELATIVE P/E RATIO **1.04** DIV'D YLD **3.6%** **VALUE LINE**



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
38.10	39.81	36.31	45.37	31.17	32.05	36.30	27.08	38.38	44.40	32.09	21.90	26.28	33.24	29.01	20.39	23.70	25.50	Revenues per sh ^A	27.30
1.31	1.37	1.22	1.81	1.58	1.63	1.70	1.86	1.93	2.73	2.52	2.46	2.68	3.72	2.99	3.30	2.95	3.60	"Cash Flow" per sh	3.90
.88	.93	.78	1.35	1.20	1.23	1.29	1.36	1.37	2.08	1.78	1.61	1.73	2.72	1.96	2.07	1.65	2.25	Earnings per sh ^B	2.45
.45	.48	.51	.56	.62	.68	.72	.77	.81	.86	.93	.98	1.04	1.11	1.19	1.27	1.34	1.42	Div'ds Decl'd per sh ^C	1.65
.64	.64	.73	.86	.90	1.05	1.13	1.26	1.33	1.52	3.76	4.15	3.80	4.39	5.83	4.68	4.10	4.10	Cap'l Spending per sh	4.00
5.30	7.50	7.75	8.64	8.29	8.81	9.36	9.80	10.65	11.48	12.99	13.58	14.33	16.18	17.37	19.26	19.80	20.85	Book Value per sh ^D	23.60
82.64	82.88	83.22	84.12	83.17	82.35	82.89	83.05	83.32	84.20	85.19	85.88	86.32	87.69	89.34	95.80	97.00	98.00	Common Shs Outst'g ^E	100.00
16.8	16.1	21.6	12.3	14.9	15.0	16.8	16.8	16.0	11.7	16.6	21.3	22.4	15.6	24.3	17.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
.89	.87	1.15	.74	.99	.95	1.05	1.07	.90	.62	.84	1.12	1.13	.84	1.29	.92			Relative P/E Ratio	.95
3.1%	3.2%	3.0%	3.3%	3.5%	3.7%	3.3%	3.4%	3.7%	3.5%	3.1%	2.9%	2.7%	2.6%	2.5%	3.5%			Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 12/31/20				2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC		24-26
Total Debt \$2426.1 mill. Due in 5 Yrs \$420.5 mill.				3009.2	2248.9	3198.1	3738.1	2734.0	1880.9	2268.6	2915.1	2592.0	1953.7	2300	2500	Revenues (\$mill) ^A	2730			
LT Debt \$2264.9 mill. LT Interest \$47.1 mill.				106.5	112.4	113.7	176.9	153.7	138.1	149.4	240.5	175.0	196.3	160	220	Net Profit (\$mill)	245			
Incl. \$54.9 mill. capitalized leases.				30.2%	7.1%	25.4%	30.2%	26.3%	15.5%	17.2%	--	NMF	5.0%	5.0%	Income Tax Rate	5.0%				
(LT interest earned: 5.0x; total interest coverage: 5.0x)				3.5%	5.0%	3.6%	4.7%	5.6%	7.3%	6.6%	8.2%	6.7%	10.0%	7.0%	8.8%	Net Profit Margin	9.0%			
Pension Assets-9/20 \$404.4 mill.				35.5%	39.2%	36.6%	38.2%	43.2%	47.7%	44.6%	45.4%	49.8%	55.1%	54.5%	55.0%	Long-Term Debt Ratio	54.5%			
Oblig. \$643.0 mill.				64.5%	60.8%	63.4%	61.8%	56.8%	52.3%	55.4%	54.6%	50.2%	44.9%	45.5%	45.0%	Common Equity Ratio	45.5%			
Pfd Stock None				1203.1	1339.0	1400.3	1564.4	1950.6	2230.1	2233.7	2599.6	3088.9	4104.2	4220	4545	Total Capital (\$mill)	5160			
Common Stock 96,250,435 shs. as of 2/2/21				1295.9	1484.9	1643.1	1884.1	2128.3	2407.7	2609.7	2651.0	3041.2	3983.0	4065	4145	Net Plant (\$mill)	4400			
MARKET CAP: \$3.5 billion (Mid Cap)				9.7%	9.2%	9.0%	12.1%	8.6%	6.9%	7.7%	10.1%	6.4%	5.6%	5.0%	5.0%	Return on Total Cap'l	6.0%			
CURRENT POSITION (SMILL.)				13.7%	13.8%	12.8%	18.3%	13.9%	11.8%	12.1%	16.9%	11.3%	10.6%	8.5%	11.0%	Return on Shr. Equity	10.5%			
Cash Assets				13.7%	13.8%	12.8%	18.3%	13.9%	11.8%	12.1%	16.9%	11.3%	10.6%	8.5%	11.0%	Return on Com Equity	10.5%			
Other				6.2%	6.2%	5.2%	11.0%	7.0%	4.8%	5.0%	10.2%	4.6%	4.2%	1.5%	4.0%	Retained to Com Eq	3.5%			
Current Assets				55%	55%	59%	40%	50%	60%	59%	40%	59%	60%	81%	63%	All Div'ds to Net Prof	67%			

BUSINESS: New Jersey Resources Corp. is a holding company providing retail/wholesale energy svcs. to customers in NJ, and in states from the Gulf Coast to New England, and Canada. New Jersey Natural Gas had 558,000 cust. at 9/30/20. Fiscal 2020 volume: 215 bill. cu. ft. (14% interruptible, 21% res., 10% commercial & elec. utility, 55% capacity release programs). N.J. Natural Energy subsidiary provides unregulated retail/wholesale natural gas and related energy svcs. 2020 dep. rate: 2.8%. Has 1,156 empl. Off./dir. own 1.3% of common; BlackRock, 14.3%; Vanguard, 10.6% (12/20 Proxy). CEO, President & Director: Steven D. Westhoven. Incorporated: New Jersey. Address: 1415 Wyckoff Road, Wall, NJ 07719. Telephone: 732-938-1480. Web: www.njresources.com.

New Jersey Resources is off to a so-so start in fiscal 2021 (year ends September 30th). On the downside, the December-quarter revenues fell 26.1%, to \$454.3 million, due to double-digit volume declines at the nonutility and utility divisions, as the coronavirus pandemic continues to weigh on end-use consumer demand. Meanwhile, on the profitability front, total expenses declined about 740 basis points, when viewed as a percentage of the top line. All told, these factors drove the bottom line roughly 4.5% higher, to \$0.46 a share. This was markedly below our call for earnings of \$0.55.

We have reduced our annual top- and bottom-line estimates by \$450 million, and \$0.60, to \$2.3 billion and \$1.65 a share, respectively. Our revised figure would represent a more-than-15% year-over-year decline, as overall system throughput will likely be depressed in the near term. Additionally, although commodity prices have rebounded from the lows experienced in early 2020, fossil fuel prices are still down when viewed against historical levels. We look for the company to continue to face a challenging operating environment this year, until vaccines can be widely distributed and the economy returns to pre-pandemic levels. Meanwhile, we are introducing our fiscal 2022 revenue and earnings estimates at \$2.5 billion, and \$2.25 a share, respectively. New accounts at the NJNG regulated utility segment and economic recovery should be the primary drivers here.

The balance sheet is in decent shape at the moment. Although cash reserves declined roughly 80% over the first quarter of this year, that cushion still sat at \$22.4 million. Too, the long-term debt load remained stable at \$2.265 billion, or 57% of total capital. This is relatively standard for a utility. Finally, the somewhat recent increase to the quarterly dividend leaves NJR with a competitive yield.

At this juncture, we think most investors' funds could be better utilized elsewhere. The stock is trading near the low end of our 3- to 5-year Target Price Range, suggesting limited upside potential. And, since our November review, NJR fell one notch in Timeliness, to 5 (Lowest), for year-ahead performance.

Bryan J. Fong February 26, 2021

(A) Fiscal year ends Sept. 30th.	(B) Diluted earnings. Qty. sales and eggs. may not sum to total due to rounding and change in shares outstanding. Next earnings report due early May.	(C) Dividends historically paid in early Jan., April, July, and October. ■ Dividend reinvestment plan available.	(D) Includes regulatory assets in 2020: \$527.5 million, \$5.51/share.	(E) In millions, adjusted for splits.	Company's Financial Strength	A+
					Stock's Price Stability	80
					Price Growth Persistence	60
					Earnings Predictability	50

N.W. NATURAL NYSE-NWN		RECENT PRICE 46.32	P/E RATIO 18.9 (Trailing: 22.5; Median: 23.0)	RELATIVE P/E RATIO 0.89	DIV'D YLD 4.1%	VALUE LINE							
TIMELINESS 3 Raised 11/20/20	High: 50.9	49.0	50.8	46.6	52.6	52.3	66.2	69.5	71.8	74.1	77.3	47.5	Target Price Range 2024 2025 2026
SAFETY 1 Raised 3/18/05	Low: 41.1	39.6	41.0	40.0	40.1	42.0	48.9	56.5	51.5	57.2	42.3	41.7	
TECHNICAL 5 Lowered 2/12/21	LEGENDS 0.90 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession												96
BETA .80 (1.00 = Market)	18-Month Target Price Range Low-High Midpoint (% to Mid) \$37-\$97 \$67 (45%)												80
2024-26 PROJECTIONS Price Gain Ann'l Total Return High 80 (+75%) 18% Low 65 (+40%) 12%													64
Institutional Decisions to Buy 102020 202020 302020 to Sell 88 73 92 Hlds(000) 133 103 94 22679 21936 21896													48
% TOT. RETURN 1/21 THIS STOCK VL ARITH. INDEX 1 yr. -33.9 26.6 3 yr. -11.1 29.4 5 yr. 4.6 99.1													40

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC		24-26
33.01	37.20	39.13	39.16	38.17	30.56	31.72	27.14	28.02	27.64	26.39	23.61	26.52	24.45	24.49	24.65	26.45	27.70	26.45	Revenues per sh	31.05
4.34	4.76	5.41	5.31	5.20	5.18	5.00	4.94	5.04	5.05	4.91	4.93	1.04	5.28	5.15	5.30	5.15	6.05	5.30	"Cash Flow" per sh	6.85
2.11	2.35	2.76	2.57	2.83	2.73	2.39	2.22	2.24	2.16	1.96	2.12	d1.94	2.33	2.19	2.25	2.50	2.65	2.65	Earnings per sh ^A	3.10
1.32	1.39	1.44	1.52	1.60	1.68	1.75	1.79	1.83	1.85	1.86	1.87	1.88	1.89	1.90	1.91	1.92	1.93	1.93	Div'ds Decl'd per sh ^B	1.96
3.48	3.56	4.48	3.92	5.09	9.35	3.76	4.91	5.13	4.40	4.37	4.87	7.43	7.43	7.95	8.05	8.40	8.70	8.70	Cap'l Spending per sh	9.40
21.28	22.01	22.52	23.71	24.88	26.08	26.70	27.23	27.77	28.12	28.47	29.71	25.85	26.41	28.42	30.65	33.85	37.10	37.10	Book Value per sh ^D	45.30
27.58	27.24	26.41	26.50	26.53	26.58	26.76	26.92	27.08	27.28	27.43	28.63	28.74	28.88	30.47	31.00	31.00	31.00	31.00	Common Shs Outst'g ^C	32.00
17.0	15.9	16.7	18.1	15.2	17.0	19.0	21.1	19.4	20.7	23.7	26.9	--	26.6	30.9	25.5	Bold figures are Value Line estimates	25.5	25.5	Avg Ann'l P/E Ratio	24.0
.91	.86	.89	1.09	1.01	1.08	1.19	1.34	1.09	1.09	1.19	1.41	--	1.44	1.65	1.33	1.33	1.33	1.33	Relative P/E Ratio	1.35
3.7%	3.7%	3.1%	3.3%	3.7%	3.6%	3.9%	3.8%	4.2%	4.1%	4.0%	3.3%	3.0%	3.0%	2.8%	3.3%	3.3%	3.3%	3.3%	Avg Ann'l Div'd Yield	2.6%

CAPITAL STRUCTURE as of 9/30/20		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Total Debt	\$1178.4 mill. Due in 5 Yrs \$910.0 mill.	848.8	730.6	758.5	754.0	723.8	676.0	762.2	706.1	746.4	765	820	860	860	860	860	860	860	860	Revenues (\$mill)	995
LT Debt	\$860.2 mill. LT Interest \$40.0 mill.	63.9	59.9	60.5	58.7	53.7	58.9	d55.6	67.3	65.3	70.0	75.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	Net Profit (\$mill)	100
(Total interest coverage: 3.1x)		40.4%	42.4%	40.8%	41.5%	40.0%	40.9%	--	26.4%	16.2%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	Income Tax Rate	21.0%
Pension Assets-12/19 \$313.1 mill. Oblig. \$515.7 mill.		7.5%	8.2%	8.0%	7.8%	7.4%	8.7%	NMF	9.5%	8.8%	9.2%	9.1%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%	Net Profit Margin	10.1%
Pfd Stock None		47.3%	48.5%	47.6%	44.8%	42.5%	44.4%	47.9%	48.1%	48.2%	48.5%	49.0%	46.5%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	Long-Term Debt Ratio	43.0%
Common Stock 30,568,578 shares as of 10/29/20		52.7%	51.5%	52.4%	55.2%	57.5%	55.6%	52.1%	51.9%	51.8%	51.5%	51.0%	53.5%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	Common Equity Ratio	57.0%
MARKET CAP \$1.4 billion (Mid Cap)		1356.2	1424.7	1433.6	1389.0	1357.7	1529.8	1426.0	1468.9	1672.0	1850	2050	2150	2550	2640	2750	2750	2750	2750	Total Capital (\$mill)	2550
CURRENT POSITION		1893.9	1973.6	2062.9	2121.6	2182.7	2260.9	2255.0	2421.4	2438.9	2535	2640	2750	3105	3105	3105	3105	3105	3105	Net Plant (\$mill)	3105
CASH ASSETS		6.2%	5.7%	5.8%	5.8%	5.5%	5.1%	NMF	5.8%	5.2%	3.8%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	Return on Total Cap'l	4.0%
OTHER ASSETS		8.9%	8.2%	8.1%	7.6%	6.9%	6.9%	NMF	8.8%	7.5%	7.5%	7.5%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	Return on Shr. Equity	7.0%
CURRENT LIABILITIES		8.9%	8.2%	8.1%	7.6%	6.9%	6.9%	NMF	8.8%	7.5%	7.5%	7.5%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	Return on Com Equity	7.0%
FIX. CHG. COV.		2.4%	1.6%	1.5%	1.1%	.6%	.9%	NMF	2.1%	1.4%	1.0%	1.5%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	Retained to Com Eq	2.5%
CASH COV.		73%	80%	81%	85%	92%	87%	NMF	76%	82%	85%	77%	73%	64%	64%	64%	64%	64%	64%	All Div'ds to Net Prof	64%

Cal-endar	QUARTERLY REVENUES (\$ mill.)			Full Year	
Mar.31	Jun.30	Sep.30	Dec.31	Year	
2018	264.7	124.6	91.2	226.7	706.1
2019	285.4	123.4	90.3	247.3	746.4
2020	285.2	135.0	93.3	251.5	765
2021	305	145	110	260	820
2022	315	155	120	270	860

Cal-endar	EARNINGS PER SHARE ^A			Full Year	
Mar.31	Jun.30	Sep.30	Dec.31	Year	
2018	1.46	d.01	d.39	1.27	2.33
2019	1.50	.07	d.61	1.26	2.19
2020	1.58	d.17	d.61	1.45	2.25
2021	1.60	d.10	d.50	1.50	2.50
2022	1.64	d.06	d.47	1.54	2.65

Cal-endar	QUARTERLY DIVIDENDS PAID ^B			Full Year	
Mar.31	Jun.30	Sep.30	Dec.31	Year	
2017	.47	.47	.47	.4725	1.88
2018	.4725	.4725	.4725	.475	1.89
2019	.475	.475	.475	.4775	1.90
2020	.4775	.4775	.4775	.48	1.91
2021	.48				

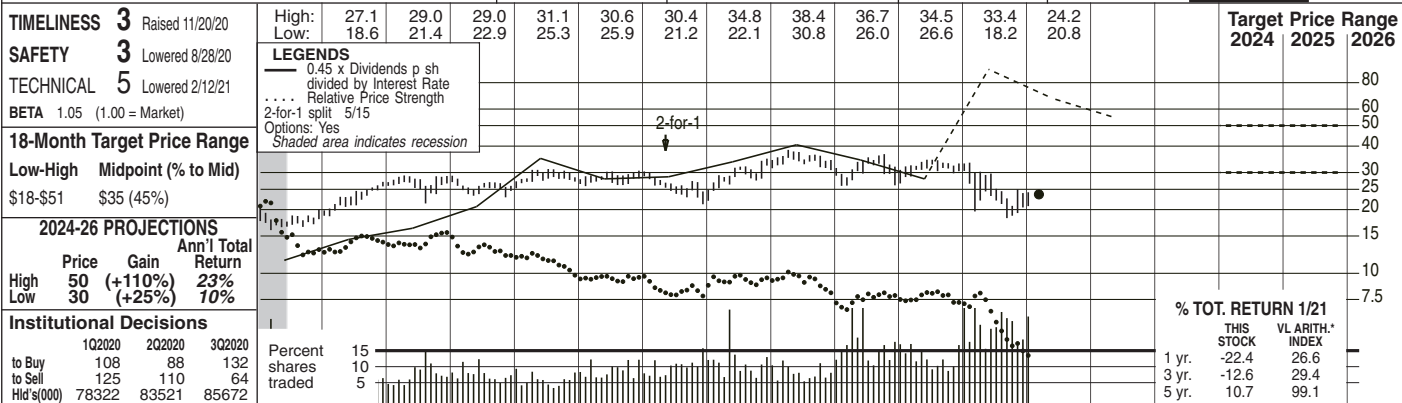
Northwest Natural Holding Co. likely performed fairly well last year. (Note: The company was expected to issue its annual results shortly after this report went to press.) We look for revenues and earnings to advance approximately 2.5%, to \$765 million and \$2.25 a share, respectively. Despite the challenging operating environment and economic headwinds provided by the COVID-19 pandemic, Northwest Natural added more than 14,000 new natural gas meters over the past 12 months. Additional benefits stemmed from the Oregon Public Utility Commission's approval of a \$45 million rate increase. We look for the company's momentum to improve this year. The utility services provider appears well positioned to register revenue growth of more than 7% this year, to \$820 million. New customer accounts, rate increases, and acquisitions augur well for overall business operations. In fact, the NW Natural Water company recently purchased Suncadia water and wastewater utilities, the T&W water utility, and multiple systems in Idaho. Assuming costs associated with the pandemic begin to subside, we look for continued mar-

gin expansion as the year progresses. On balance, NWN's annual earnings may well advance 11% this year, to \$2.50 per share. Finally, we are introducing our 2022 top-and bottom-line estimates at \$860 million and \$2.65 a share, respectively. **The natural gas distributor's balance sheet is in good shape and improving.** At the end of the third quarter, the last period for which financial information was available, cash reserves had swelled 272%, to \$35.9 million. Meanwhile, the long-term debt load increased 6.7%, to \$860 million. This represents a relatively modest 50% of total capital, when viewed against the industry as a whole. **These shares may appeal to patient investors with an eye on income generation.** NWN offers better-than-average appreciation potential for the pull to 2024-2026. What's more, the recent hike in the quarterly dividend, to \$0.48 per share, brings the yield to over 4%, handily besting the Value Line median. Finally, our Timeliness Ranking System suggests these shares will keep pace with the broader market averages in the coming year. *Bryan J. Fong February 26, 2021*

(A) Diluted earnings per share. Excludes non-recurring items: '06, (\$0.06); '08, (\$0.03); '09, \$0.06; May not sum due to rounding. Next earnings report due in early May. (B) Dividends historically paid in mid-February, May, August, and November. (C) In millions. (D) Includes intangibles. In 2019: \$343.2 million, \$11.26/share. Company's Financial Strength A Stock's Price Stability 85 Price Growth Persistence 35 Earnings Predictability 5 To subscribe call 1-800-VALUELINE

SOUTH JERSEY INDS. NYSE-SJI

RECENT PRICE **23.66** P/E RATIO **14.3** (Trailing: 15.4 Median: 19.0) RELATIVE P/E RATIO **0.67** DIV'D YLD **5.3%** VALUE LINE



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC 24-26	
15.89	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	15.60	16.25	17.15	Revenues per sh	19.15
1.25	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	2.65	2.85	3.10	"Cash Flow" per sh	3.95
.86	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	1.60	1.70	1.85	Earnings per sh ^A	2.50
.43	.46	.51	.56	.61	.68	.75	.83	.90	.96	1.02	1.06	1.10	1.13	1.16	1.19	1.25	1.32	Div'ds Decl'd per sh ^B	1.50
1.60	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	4.95	5.85	6.65	Cap'l Spending per sh	7.85
6.75	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	16.35	17.00	17.60	Book Value per sh ^C	21.50
57.96	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	101.00	103.00	105.00	Common Shs Outst'g ^D	115.00
16.6	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	15.6	16.0	16.5	Avg Ann'l P/E Ratio	16.0
.88	.64	.91	.96	1.00	1.07	1.15	1.08	1.06	.95	.90	1.14	1.40	1.22	1.51	.80	.85	.90	Relative P/E Ratio	.90
3.0%	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%	4.8%	4.8%	Avg Ann'l Div'd Yield	3.8%

CAPITAL STRUCTURE as of 9/30/20				2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022						
Total Debt \$3271.4 mill. Due in 5 Yrs \$1045 mill.				828.6	706.3	731.4	887.0	959.6	1036.5	1243.1	1641.3	1628.6	1575	1675	1800	Revenues (\$mill)							2200				
LT Debt \$2531.6 mill. LT Interest \$100 mill.				87.0	93.3	97.1	104.0	99.0	102.8	98.1	116.2	103.0	160	175	190	Net Profit (\$mill)							280				
Leases, Uncapitalized Annual rentals \$1.2 mill.				22.4%	10.8%	--	--	5.9%	42.0%	--	--	21.0%	21.0%	21.0%	Income Tax Rate							21.0%					
Pension Assets-12/19 \$312.5 mill.				10.5%	13.2%	13.3%	11.7%	10.3%	9.9%	7.9%	7.1%	6.3%	10.2%	10.4%	10.6%	Net Profit Margin							12.7%				
Pfd Stock None				40.5%	45.0%	45.1%	48.0%	49.2%	38.5%	48.5%	62.4%	59.2%	61.0%	61.5%	62.0%	Long-Term Debt Ratio							58.0%				
Oblig. \$439.4 mill.				59.5%	55.0%	54.9%	52.0%	50.8%	61.5%	51.5%	37.6%	40.8%	39.0%	38.5%	38.0%	Common Equity Ratio							42.0%				
Common Stock 100,590,307 shs. as of 11/1/20				1048.3	1337.6	1507.4	1791.9	2043.9	2097.2	2315.4	3373.9	3493.9	4250	4550	4900	Total Capital (\$mill)							5875				
MARKET CAP: \$2.4 billion (Mid Cap)				1352.4	1578.0	1859.1	2134.1	2448.1	2623.8	2700.2	3653.5	4073.5	4400	4750	5100	Net Plant (\$mill)							5800				
CURRENT POSITION				8.9%	7.4%	6.8%	6.4%	5.4%	5.4%	5.1%	4.4%	4.0%	5.0%	5.0%	5.0%	Return on Total Cap'l							6.0%				
CASH ASSETS (\$MILL.)				13.9%	12.7%	11.7%	11.2%	9.5%	8.0%	8.2%	9.2%	7.2%	9.5%	10.0%	10.5%	Return on Shr. Equity							11.5%				
Cash Assets				13.9%	12.7%	11.7%	11.2%	9.5%	8.0%	8.2%	9.2%	7.2%	9.5%	10.0%	10.5%	Return on Com Equity							11.5%				
Other				6.7%	5.8%	4.8%	4.3%	2.8%	1.6%	1.7%	NMF	2.5%	2.5%	3.0%	Retained to Com Eq							4.5%					
Current Assets				52%	55%	59%	61%	71%	80%	89%	82%	104%	75%	74%	73%	All Div'ds to Net Prof							62%				
Accts Payable																											
Debt Due																											
Other																											
Current Liab.																											
Fix. Chg. Cov.																											

BUSINESS: South Jersey Industries, Inc. is a holding company. The company distributes natural gas in New Jersey and Maryland. South Jersey Gas rev. mix '19: residential, 47%; commercial, 23%; cogen. and electric gen., 12%; industrial, 18%. Acq. Elizabethtown Gas and Elkton Gas, 7/18. Nonutil. operations include South Jersey Energy, South Jersey Resources Group, South Jersey Exploration, Marina Energy, South Jersey Energy Service Plus, and SJI Midstream. Has about 1,100 employees. Off/dir. own less than 1% of common; BlackRock, 15.5%; The Vanguard Group, 11.4% (3/20 proxy). Pres. & CEO: Michael J. Renna. Chairman: Joseph M. Rigby, Inc.: NJ. Addr.: 1 South Jersey Plaza, Folsom, NJ 08037. Tel.: 609-561-9000. Internet: www.sjindustries.com.

Shares of South Jersey Industries have traded in a relatively narrow range over the past few months, following a nice rally from late September through early November. The company posted a narrower share deficit for the September quarter, and we expect a favorable comparison for the December term. A decline in costs has supported the bottom line here. The company was set to report earnings for the fourth quarter as this Issue went to press. All told, we project that share net advanced roughly 40%, to \$1.60 for full-year 2020, despite a top-line decline.

We anticipate greater revenue and moderate bottom-line improvement for the company for full-year 2021. Growth should continue from 2022 onward. South Jersey's utility business ought to further benefit from an expansion in the customer base. Infrastructure investments will allow the company to modernize its system and meet growing demand for natural gas within its service territories. Infrastructure replacement programs allow the company to earn an authorized return on approved investments. Regulatory initiatives should also pay off. Meanwhile, we look for better performance on the nonutility side. The Energy Group business ought to benefit from fuel supply management contracts and a reorganized wholesale marketing portfolio. Solar investment in support of the New Jersey Energy Master Plan, as well as legacy energy production activity will likely continue to boost the performance of the Energy Services line. Investment by the Midstream unit in long-term contracted energy infrastructure projects, such as the Penn East Pipeline, should bear fruit, too.

This stock is ranked to track the broader market for the coming six to 12 months. Looking further out, we anticipate solid bottom-line growth for the company over the pull to mid-decade. From the recent quotation, this stock offers attractive long-term total return potential. This is aided by a fairly healthy dividend yield. In addition, South Jersey Industries has above-average marks for Price Stability and Earnings Predictability. Income-seeking subscribers may want to take a closer look.

Michael Napoli, CFA February 26, 2021

<p>(A) Based on economic eggs. from 2007. GAAP EPS: '08, \$1.29; '09, \$0.97; '10, \$1.11; '11, \$1.49; '12, \$1.49; '13, \$1.28; '14, \$1.46; '15, \$1.52; '16, \$1.56; '17, (\$0.04); '18, \$0.21; '19, \$0.84. Excl. nonrecur. gain (loss): '09, (\$0.22); '10, (\$0.24); '11, \$0.04; '12, (\$0.03); '13, (\$0.24); '14, (\$0.11); '15, \$0.08; '16, \$0.22; '17, (\$1.27); '18, (\$1.17); '19, (\$0.28). Next eggs. rpt. due early May.</p>	<p>(B) Div'ds paid early April, July, Oct., and late Dec. = Div. reinvest. plan avail.</p>	<p>(C) Incl. reg. assets. In 2019: \$665.9 mill., \$7.21 per shr. (D) In mill., adj. for split.</p>
<p>Company's Financial Strength B++</p> <p>Stock's Price Stability 70</p> <p>Price Growth Persistence 15</p> <p>Earnings Predictability 65</p>		

SOUTHWEST GAS NYSE-SWX

RECENT PRICE **61.83** P/E RATIO **14.2** (Trailing: 15.5; Median: 18.0) RELATIVE P/E RATIO **0.67** DIV'D YLD **3.8%** VALUE LINE

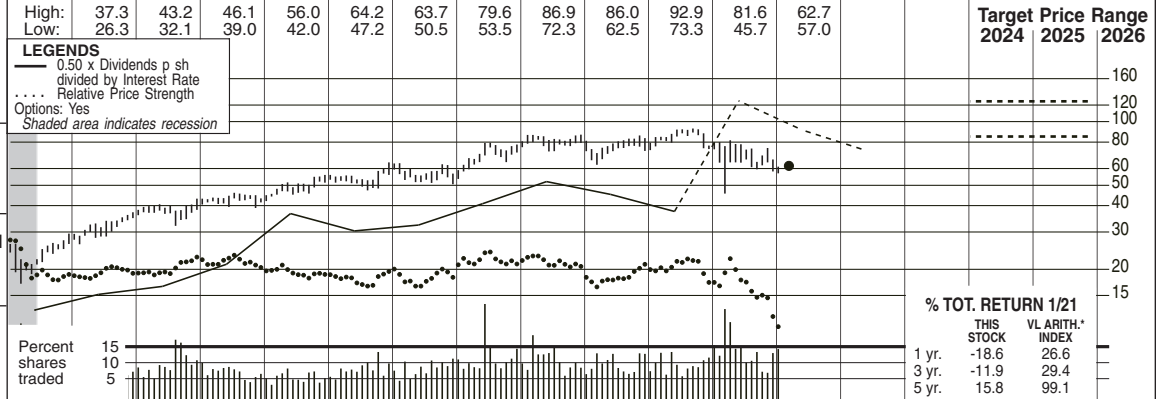
TIMELINESS 3 Lowered 1/8/21
SAFETY 3 Lowered 1/4/91
TECHNICAL 5 Lowered 2/12/21
BETA .95 (1.00 = Market)

LEGENDS
 0.50 x Dividends p sh
 divided by Interest Rate
 Relative Price Strength
 Options: Yes
 Shaded area indicates recession

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$49-\$121 \$85 (35%)

2024-26 PROJECTIONS
 High Price Gain Ann'l Total Return
 Low 125 (+100%) 22%
 85 (+35%) 11%

Institutional Decisions
 10/2020 20/2020 30/2020
 to Buy 118 130 116
 to Sell 155 123 137
 Hld's(000) 47511 48082 46991



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC 24-26	
43.59	48.47	50.28	48.53	42.00	40.18	41.07	41.77	42.08	45.61	52.00	51.82	53.00	54.31	56.72	57.65	59.30	60.65	Revenues per sh	67.70
5.20	5.97	6.21	5.76	6.16	6.46	6.81	7.73	8.24	8.47	8.62	9.29	8.83	8.14	9.40	9.65	10.35	11.05	"Cash Flow" per sh	13.75
1.25	1.98	1.95	1.39	1.94	2.27	2.43	2.86	3.11	3.01	2.92	3.18	3.62	3.68	3.94	4.00	4.45	4.95	Earnings per sh ^A	6.50
.82	.82	.86	.90	.95	1.00	1.06	1.18	1.32	1.46	1.62	1.80	1.98	2.08	2.18	2.26	2.37	2.48	Div'ds Decl'd per sh ^B	2.80
7.49	8.27	7.96	6.79	4.81	4.73	8.29	8.57	7.86	8.53	10.30	11.15	12.97	14.44	17.06	14.05	16.95	18.85	Cap'l Spending per sh	26.15
19.10	21.58	22.98	23.49	24.44	25.62	26.66	28.35	30.47	31.95	33.61	35.03	37.74	42.47	45.56	47.35	50.00	52.85	Book Value per sh	63.10
39.33	41.77	42.81	44.19	45.09	45.56	45.96	46.15	46.36	46.52	47.38	47.48	48.09	53.03	55.01	57.00	59.00	61.00	Common Shs Outst'g ^C	65.00
20.6	15.9	17.3	20.3	12.2	14.0	15.7	15.0	15.8	17.9	19.4	21.6	22.2	20.6	21.3	17.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
1.10	.86	.92	1.22	.81	.89	.98	.95	.89	.94	.98	1.13	1.12	1.11	1.13	.89			Relative P/E Ratio	.90
3.2%	2.6%	2.6%	3.2%	4.0%	3.2%	2.8%	2.8%	2.7%	2.7%	2.9%	2.6%	2.5%	2.7%	2.6%	3.3%			Avg Ann'l Div'd Yield	2.7%

CAPITAL STRUCTURE as of 9/30/20
 Total Debt \$2784.6 mill. Due in 5 Yrs \$898.8 mill.
 LT Debt \$2685.7 mill. LT Interest \$100.0 mill.
 (Total interest coverage: 3.6x) (50% of Cap'l)
 Leases, Uncapitalized Annual rentals \$13.0 mill.
 Pension Assets-12/19 \$1027.8 mill.
 Oblig. \$1405.7 mill.

Pfd Stock None

Common Stock 56,464,880 shs. as of 10/30/20

MARKET CAP: \$3.5 billion (Mid Cap)

1887.2	1927.8	1950.8	2121.7	2463.6	2460.5	2548.8	2880.0	3119.9	3285	3500	3700	Revenues (\$mill)	4400
112.3	133.3	145.3	141.1	138.3	152.0	173.8	182.3	213.9	225	260	295	Net Profit (\$mill)	395
36.2%	36.2%	35.0%	35.7%	36.4%	33.9%	32.8%	25.3%	20.5%	22.0%	21.0%	21.0%	Income Tax Rate	21.0%
6.0%	6.9%	7.4%	6.7%	5.6%	6.2%	6.8%	6.3%	6.9%	6.8%	7.4%	8.0%	Net Profit Margin	9.0%
43.2%	49.2%	49.4%	52.4%	49.3%	48.2%	49.8%	48.3%	47.9%	50.5%	50.5%	50.0%	Long-Term Debt Ratio	48.0%
56.8%	50.8%	50.6%	47.6%	50.7%	51.8%	50.2%	51.7%	52.1%	49.5%	49.5%	50.0%	Common Equity Ratio	52.0%
2155.9	2576.9	2793.7	3123.9	3143.5	3213.5	3613.3	4359.3	4806.4	5450	5950	6425	Total Capital (\$mill)	7850
3218.9	3343.8	3486.1	3658.4	3891.1	4132.0	4523.7	5093.2	5685.2	6150	6400	6750	Net Plant (\$mill)	8000
6.4%	6.4%	6.3%	5.7%	5.5%	5.8%	5.8%	5.2%	5.4%	5.0%	5.5%	5.5%	Return on Total Cap'l	6.0%
9.2%	10.2%	10.3%	9.5%	8.7%	9.1%	9.6%	8.1%	8.5%	8.5%	9.0%	9.0%	Return on Shr. Equity	9.5%
9.2%	10.2%	10.3%	9.5%	8.7%	9.1%	9.6%	8.1%	8.5%	8.5%	9.0%	9.0%	Return on Com Equity	9.5%
5.3%	6.1%	6.1%	5.0%	4.0%	4.1%	4.5%	3.6%	3.9%	3.5%	4.0%	4.5%	Retained to Com Eq	5.0%
43%	40%	41%	47%	54%	55%	53%	55%	54%	57%	54%	51%	All Div'ds to Net Prof	46%

CURRENT POSITION

	2018	2019	9/30/20
Cash Assets	85.4	49.5	23.9
Other	754.4	810.4	708.9
Current Assets	839.8	859.9	732.8
Accts Payable	249.0	238.9	175.5
Debt Due	185.1	374.5	98.9
Other	504.5	466.5	564.8
Current Liab.	938.6	1079.9	839.2
Fix. Chg. Cov.	370%	340%	259%

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '24-'26
Revenues	1.5%	5.0%	3.0%
"Cash Flow"	4.0%	1.5%	6.5%
Earnings	8.0%	4.5%	8.0%
Dividends	8.5%	9.5%	4.5%
Book Value	6.0%	6.5%	6.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	754.3	670.9	668.1	786.7	2880.0
2019	833.6	713.0	725.2	848.1	3119.9
2020	836.3	757.2	791.2	900.3	3285
2021	875	825	850	950	3500
2022	925	875	900	1000	3700

EARNINGS PER SHARE^{A,D}

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	1.63	.44	.25	1.36	3.68
2019	1.77	.41	.10	1.67	3.94
2020	1.31	.68	.32	1.69	4.00
2021	1.70	.65	.32	1.78	4.45
2022	1.85	.75	.40	1.95	4.95

QUARTERLY DIVIDENDS PAID^{B,†}

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	.450	.495	.495	.495	1.94
2018	.495	.520	.520	.520	2.06
2019	.520	.545	.545	.545	2.16
2020	.545	.570	.570	.570	2.26
2021	.570				

BUSINESS: Southwest Gas Holdings, Inc. is the parent holding company of Southwest Gas and Centuri Group. Southwest Gas is a regulated gas distributor serving about 2.1 million customers in parts of Arizona, Nevada, and California. Centuri provides construction services. 2019 margin mix: residential and small commercial, 84%; large commercial and industrial, 3%; transportation, 13%. To

Shares of Southwest Gas have perked up in price in recent weeks, following a selloff that began in the first half of November. The company reported favorable comparisons in recent periods, and we expect solid results for the fourth quarter. Southwest has benefited from healthy results from its Centuri infrastructure services segment in recent times. Results here have been supported by increasing demand from core customers, as it provided emergency restoration services to its electric customers following regional storms. Meanwhile, the company's regulated utility operations further benefited from healthy regional growth. For full-year 2020, we expect revenue of \$3.285 billion and earnings per share of \$4.00.

Solid growth ought to continue from 2021 onward. The company's utility operation should further benefit from expansion in the customer base. This line continues to make infrastructure installation progress supporting its territory expansions in Nevada. Rate relief should also provide support here. The company depends on such approved revenue increases to offset rising expenses and allow

it to earn a satisfactory return on investment. Meantime, Centuri, the company's infrastructure services business, should fare relatively well. This operation derives its revenue from the installation, replacement, repair, and maintenance of energy distribution systems. It ought to further benefit from the ongoing need for utilities to replace their aging infrastructure. Centuri has a robust client base, many with multiyear pipeline replacement programs. Measures by Southwest Gas to control operating expenses should support profitability, too.

This stock is ranked to perform in line with the broader market averages for the coming six to 12 months. Looking further out, we anticipate healthy growth in revenues and earnings per share for the company over the pull to mid-decade. From the recent quotation, these shares offer attractive long-term total return potential. The payout should continue to rise in the years ahead, as well. Southwest Gas earns favorable marks for Financial Strength, Price Stability, and Earnings Predictability.

Michael Napoli, CFA February 26, 2021

<p style="margin: 0;">(A) Diluted earnings. Excl. nonrec. gains (losses): '05, (11c); '06, 7c. Next egs. report due early March. (B) Dividends historically paid early March, June, September, and December.</p> <p style="margin: 0;">(C) Div'd reinvestment and stock purchase plan avail. (D) In millions.</p> <p style="margin: 0;">(E) Totals may not sum due to rounding.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Company's Financial Strength</th><th>A</th></tr> </thead> <tbody> <tr> <td>Stock's Price Stability</td><td></td><td>85</td></tr> <tr> <td>Price Growth Persistence</td><td></td><td>65</td></tr> <tr> <td>Earnings Predictability</td><td></td><td>95</td></tr> </tbody> </table>	Company's Financial Strength		A	Stock's Price Stability		85	Price Growth Persistence		65	Earnings Predictability		95
Company's Financial Strength		A											
Stock's Price Stability		85											
Price Growth Persistence		65											
Earnings Predictability		95											

INDUSTRY TIMELINESS: 81 (of 97)

A number of stocks in *Value Line's* Natural Gas Utility Industry have lost some luster since our last report three months ago. We believe those moves can be traced partly to concerns about the pandemic. Indeed, the distribution of vaccines has been slower than anticipated, and new strains of the virus were detected in certain parts of the country. If infection rates return to alarming levels, there might be pressure on customer demand and a rise in bad-debt expense plus other operating costs. But companies are seeking regulatory relief to help offset COVID-19-related effects. It should also be mentioned that this industry is considered essential to the nation's infrastructure, so businesses have remained open.

Despite the not-so-great recent stock-price performances, these equities' biggest draw is their reliable, generous amounts of dividend income, unlike a number of companies in other energy-related sectors, which have slashed or even suspended their payouts. Consider, also, that there are standouts in our group for capital appreciation potential in both the 18-month period and out to 2024-2026.

Rate Cases

Rate filings are a very important factor for natural gas utilities. Federal authorities establish wholesale service tariffs, and state regulators determine retail distribution rates. Sufficient returns on common equity are necessary to keep these businesses viable. Higher rates are sought to pay for such key items as the cost of expansion, storm damage, and/or to cover the expenses of maintaining reliable service. In order to promote healthy relationships with customers and regulators, managements endeavor to keep operating and service costs as low as possible. At times, though, political pressure can compel authorities to limit rates of return, to the detriment of utility companies. But for the most part, regulators desire to strike an equitable balance between the interests of shareholders and customers. When the regulatory environment is fairly quiet, utilities might place heightened emphasis on cost-reduction initiatives and nonregulated businesses, which include pipelines and energy marketing & trading.

Attractive Payouts

The main appeal of utility equities is their dividends, which tend to be adequately covered by corporate profits. (It should be stated that the Financial Strength ratings for more than half of the 10 companies in our category are at least an A, and the remainder are a solid B++.) At the time of this industry review, the average yield for the group was 3.6%, relative to the *Value Line* median of 1.9%. Outstanding choices include *South Jersey Industries*, *Northwest Natural Holding Co.*, *Spire Inc.*, and *NiSource Inc.* When the financial markets experience heightened volatility (which seems to be more common these days), solid dividend yields act like an anchor, so to speak.

Prospects Out To 2024-2026

We are optimistic, in general, about the industry's operating performance over the long haul. Natural gas

should continue to be an abundant resource in the United States, made possible partially by new technologies, so a shortage does not seem probable anytime soon. (Currently, it's estimated that roughly half of all domestic households use that energy source.) Too, there are limited alternatives for the services the companies in this category offer. Furthermore, it's a challenge for new entrants in the market, given such factors as the size of existing competitors and the substantial initial capital outlays that are required. Lastly, the country's population, now numbering more than 330 million, should stay on a steady, upward trajectory, which augurs well for future demand for utility services.

Nevertheless, there are risks to take under consideration. For a start, companies are subject to the regulatory authorities. That being the case, there are no guarantees that petitions for rate increases will be accepted or that certain favorable provisions (which include temperature-adjusted rate mechanisms) will continue indefinitely. To further complicate matters, a slowdown in the economy may prompt customers to conserve natural gas and push up bad-debt expense. Finally, operational difficulties created by leaks and other unfortunate events might well result in significant financial losses if not sufficiently covered by insurance.

Conclusion

With just a couple of exceptions, most of these equities don't stand out for Timeliness. However, they ought to appeal to income-focused investors with a conservative stance, given that those good-yielding issues possess high marks for Price Stability, and the majority are ranked 1 (Highest) or 2 (Above Average) for Safety. And, as stated above, there are some good selections for price performance in the 18-month period and out to 2024-2026. As always, our subscribers are advised to carefully examine the following reports before committing funds.

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