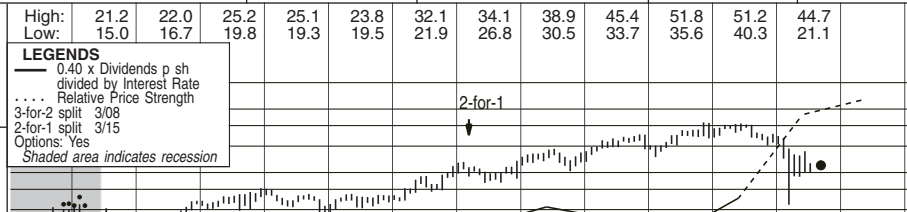


NEW JERSEY RES. NYSE-NJR

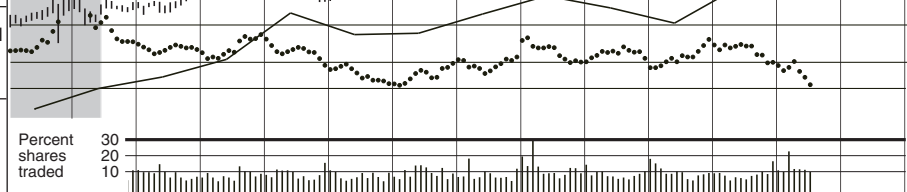
RECENT PRICE **32.48** P/E RATIO **15.2** (Trailing: 18.1 Median: 17.0) RELATIVE P/E RATIO **0.69** DIV'D YLD **3.8%** VALUE LINE

TIMELINESS 4 Lowered 4/3/20
SAFETY 2 Lowered 4/17/20
TECHNICAL 3 Raised 6/19/20
BETA .90 (1.00 = Market)
18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$25-\$57 \$41 (25%)



High:	21.2	22.0	25.2	25.1	23.8	32.1	34.1	38.9	45.4	51.8	51.2	44.7
Low:	15.0	16.7	19.8	19.3	19.5	21.9	26.8	30.5	33.7	35.6	40.3	21.1

2023-25 PROJECTIONS
 High Price Gain Ann'l Total
 Low 35 (+40%) 12%
 35 (+10%) 6%



1 yr.	3 yr.	5 yr.
-35.5	-19.7	24.0
-1.7	9.9	31.7

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	125	169	123
to Sell	102	99	131
Hlds(000)	61471	67787	67063

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
30.44	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	21.35	28.35
1.25	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	2.90	3.30
.85	.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	1.90	2.25
.43	.45	.48	.51	.56	.62	.68	.72	.77	.81	.86	.93	.98	1.04	1.11	1.19	1.27	1.34
.72	.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	4.70	4.10
5.62	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	20.50	21.65
83.22	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	96.00	97.00
15.3	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	20.50	21.65
.81	.89	.87	1.15	.74	.99	.95	1.05	1.07	.90	.62	.84	1.12	1.13	.84	1.33	1.27	1.34
3.3%	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%	2.5%	2.5%

© VALUE LINE PUB. LLC	23-25
Revenues per sh ^A	30.05
"Cash Flow" per sh	3.55
Earnings per sh ^B	2.40
Div'ds Decl'd per sh ^C	1.57
Cap'l Spending per sh	4.00
Book Value per sh ^D	25.80
Common Shs Outst'g ^E	100.00
Avg Ann'l P/E Ratio	17.0
Relative P/E Ratio	.95
Avg Ann'l Div'd Yield	3.7%

CAPITAL STRUCTURE as of 6/30/20
 Total Debt \$2243.6 mill. Due in 5 Yrs \$420.5 mill.
 LT Debt \$1664.5 mill. LT Interest \$47.1 mill.
 Incl. \$38.6 mill. capitalized leases.
 (LT interest earned: 5.0x; total interest coverage: 5.0x)
Pension Assets-9/19 \$372.6 mill. **Oblig.** \$620.5 mill.
Pfd Stock None
Common Stock 95,930,191 shs. as of 8/5/20
MARKET CAP: \$3.1 billion (Mid Cap)

2639.3	3009.2	2248.9	3198.1	3738.1	2734.0	1880.9	2268.6	2915.1	2592.0	2050	2750
101.8	106.5	112.4	113.7	176.9	153.7	138.1	149.4	240.5	175.0	185	220
41.4%	30.2%	7.1%	25.4%	30.2%	26.3%	15.5%	17.2%	NMF	NMF	15.0%	15.0%
3.9%	3.5%	5.0%	3.6%	4.7%	5.6%	7.3%	6.6%	8.2%	6.7%	8.9%	8.0%
37.2%	35.5%	39.2%	36.6%	38.2%	43.2%	47.7%	44.6%	45.4%	49.8%	44.5%	44.5%
62.8%	64.5%	60.8%	63.4%	61.8%	56.8%	52.3%	55.4%	54.6%	50.2%	55.5%	55.5%
1154.4	1203.1	1339.0	1400.3	1564.4	1950.6	2230.1	2233.7	2599.6	3088.9	3500	3800
1135.7	1295.9	1484.9	1643.1	1884.1	2128.3	2407.7	2609.7	2651.0	3041.2	3800	3875
9.7%	9.7%	9.2%	9.0%	12.1%	8.6%	6.9%	7.7%	10.1%	6.4%	6.0%	6.5%
14.0%	13.7%	13.8%	12.8%	18.3%	13.9%	11.8%	12.1%	16.9%	11.3%	9.5%	10.5%
14.0%	13.7%	13.8%	12.8%	18.3%	13.9%	11.8%	12.1%	16.9%	11.3%	9.5%	10.5%
6.7%	6.2%	6.2%	5.2%	11.0%	7.0%	4.8%	5.0%	10.2%	4.6%	3.0%	4.5%
52%	55%	55%	59%	40%	50%	60%	59%	40%	59%	67%	59%

Revenues per sh^A 30.05
"Cash Flow" per sh 3.55
Earnings per sh^B 2.40
Div'ds Decl'd per sh^C 1.57
Cap'l Spending per sh 4.00
Book Value per sh^D 25.80
Common Shs Outst'g^E 100.00
Avg Ann'l P/E Ratio 17.0
Relative P/E Ratio .95
Avg Ann'l Div'd Yield 3.7%

CURRENT POSITION (SMILL.)

	2018	2019	6/30/20
Cash Assets	1.5	2.7	42.8
Other	768.6	508.9	478.3
Current Assets	770.1	511.6	521.1
Accts Payable	373.5	295.9	222.4
Debt Due	275.5	46.9	579.1
Other	101.9	103.6	100.8
Current Liab.	750.9	446.4	902.3
Fix. Chg. Cov.	545%	545%	550%

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 547,600 cust. at 9/30/19. Fiscal 2019 volume: 232 bill. cu. ft. (17% interruptible, 17% res., 9% commercial & elec. utility, 40% capacity release programs). N.J. Natural Energy subsid-

ary provides unregulated retail/wholesale natural gas and related energy svcs. 2019 dep. rate: 2.6%. Has 1,108 empl. Off./dir. own 1.3% of common; BlackRock, 13.9%; Vanguard, 10.4% (12/19 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.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19
of change (per sh)	10 Yrs.	5 Yrs.	to '23-'25
Revenues	-2.5%	-4.0%	-5%
"Cash Flow"	7.5%	7.5%	2.0%
Earnings	7.0%	6.0%	2.0%
Dividends	7.0%	6.5%	6.0%
Book Value	7.0%	8.5%	8.5%

New Jersey Resources posted mixed results for its fiscal third quarter (ended June 30th). To wit, the top line fell 31.2% on a year-over-year basis, to \$299.0 million. This reflected a hefty, almost 85% drop in nonutility volumes, partially offset by a 6.4% rise in its utility business. Meanwhile, on the profitability front, total expenses increased 590 basis points as a percentage of revenues. All told, after excluding unrealized losses on derivative instruments and hedging activities, and accounting for a healthy uptick in the number of common shares outstanding, NJR's bottom line loss improved nearly 70%, to a deficit of \$0.06 a share. This bested our call for a loss of \$0.14.

business appears poised to perform quite well this year. To that end, NJNG has added 5,879 new customer accounts over the first nine months of this fiscal year. What's more, management plans to add 28,000-30,000 new meters in the 2020-2022 time frame. In light of the recent stronger-than-anticipated earnings, we have added \$0.40 to our bottom-line call, bringing that estimate to \$1.90. Still, the challenging operating environment is weighing on New Jersey Resources' business mix. This is evident in our estimated annual earnings decline of about 3%.

QUARTERLY REVENUES (\$ mill.)^A

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	541.1	733.5	457.5	536.5	2268.6
2018	705.3	1019.0	543.4	647.3	2915.1
2019	811.8	866.3	434.9	479.1	2592.0
2020	615.0	639.6	299.0	496.4	2050
2021	665	965	535	585	2750

We have raised our earnings outlook for fiscal 2020 (ends September 30th). The volume slump at the nonutility business will likely drag down NJR's overall top line. In fact, we think the retail and wholesale energy services provider will experience a roughly 20% drop in revenues this year, to \$2.050 billion. This will largely reflect weakness at the Energy Services segment. Alternatively, the New Jersey Natural Gas (NJNG) regulated utility

The overall financial position is in good shape. So far this year, cash reserves swelled nearly 15-fold, to \$42.8 million. At the same time, the long-term debt load ticked about 8.5% higher, and now represents a relatively normal 48% of total capital when viewed against other companies in this space.

EARNINGS PER SHARE^{A B}

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	.47	1.21	.20	d.14	1.73
2018	1.53	1.61	d.09	d.33	2.72
2019	.61	1.27	d.20	.29	1.96
2020	.44	1.12	d.06	.40	1.90
2021	.55	1.25	d.05	.50	2.25

At the recent quotation, shares of New Jersey Resources do not stand out. The stock market appears to have already priced in the earnings growth we envision for the pull to 2023-2025.

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QUARTERLY DIVIDENDS PAID^C

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.24	.24	.24	.255	.98
2017	.255	.255	.255	.273	1.04
2018	.273	.273	.273	.2925	1.11
2019	.2925	.2925	.2925	.3125	1.19
2020	.3125	.3125	.3125		

Bryan J. Fong
 August 28, 2020

Bryan J. Fong
 August 28, 2020

(A) Fiscal year ends Sept. 30th.	(B) Diluted earnings. Qly. sales and eggs. may not sum to total due to rounding and change in shares outstanding. Next earnings report due early Nov.	(C) Dividends historically paid in early Jan., April, July, and October. ■ Dividend reinvestment plan available.	(D) Includes regulatory assets in 2019: \$496.6 million, \$5.56/share.	(E) In millions, adjusted for splits.	Company's Financial Strength	A+
					Stock's Price Stability	85
					Price Growth Persistence	70
					Earnings Predictability	45

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