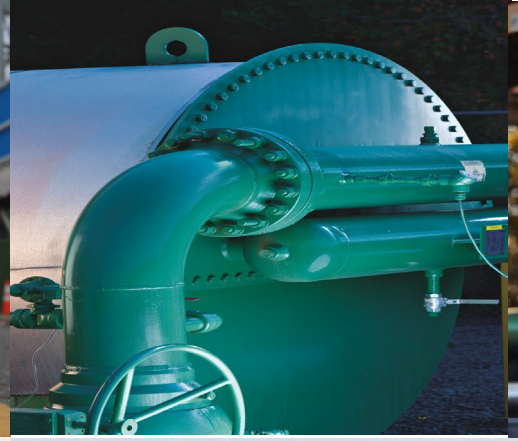






First-Quarter 2022 Results

February 3, 2022

New Jersey Resources



Forward-Looking Statements and Non-GAAP Measures

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. New Jersey Resources Corporation ("NJR", or the "Company") cautions readers that the assumptions forming the basis for forward-looking statements include many factors that are beyond NJR's ability to control or estimate precisely, such as estimates of future market conditions and the behavior of other market participants. Words such as "anticipates," "estimates," "expects," "projects," "may," "will," "intends," "plans," "believes," "should" and similar expressions may identify forward-looking statements and such forward-looking statements are made based upon management's current expectations, assumptions and beliefs as of this date concerning future developments and their potential effect upon NJR. There can be no assurance that future developments will be in accordance with management's expectations, assumptions and beliefs or that the effect of future developments on NJR will be those anticipated by management. Forward-looking statements in this presentation include, but are not limited to, certain statements regarding NJR's net financial earnings ("NFE") per share guidance for fiscal 2022 and beyond, dividend growth goals, capital plans, planned capital expenditures, projected cash flows, impacts of hedging strategies, customer growth rate and timetable and results of future base rates, schedule for completion of infrastructure projects, including but not limited to, New Jersey Natural Gas's Southern Reliability Link and the Howell Green Hydrogen Project, NJR's environmental sustainability and clean energy goals, emissions reduction strategies, initiatives and targets as well as our related investments in infrastructure, renewables and emerging technologies such as renewable natural gas and hydrogen gas, NJR Clean Energy Ventures' future capital investment target, projected installed solar capacity, revenue growth, project returns, impacts of Asset Management Agreements, including revenue recognition for fiscal 2022 and beyond, demand for residential and commercial solar energy, and our ability to profitably operate and expand the Adelphia Gateway pipeline and the impairment of NJR's investment in PennEast.

Additional information and factors that could cause actual results to differ materially from NJR's expectations are contained in NJR's filings with the U.S. Securities and Exchange Commission (SEC), including NJR's Annual Reports on Form 10-K and subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings, which are available at the SEC's web site, https://www.sec.gov. Information included in this presentation is representative as of today only and while NJR periodically reassesses material trends and uncertainties affecting NJR's results of operations and financial condition in connection with its preparation of management's discussion and analysis of results of operations and financial condition contained in its Quarterly and Annual Reports filed with the SEC, NJR does not, by including this statement, assume any obligation to review or revise any particular forward-looking statement referenced herein in light of future events.

Non-GAAP Measures

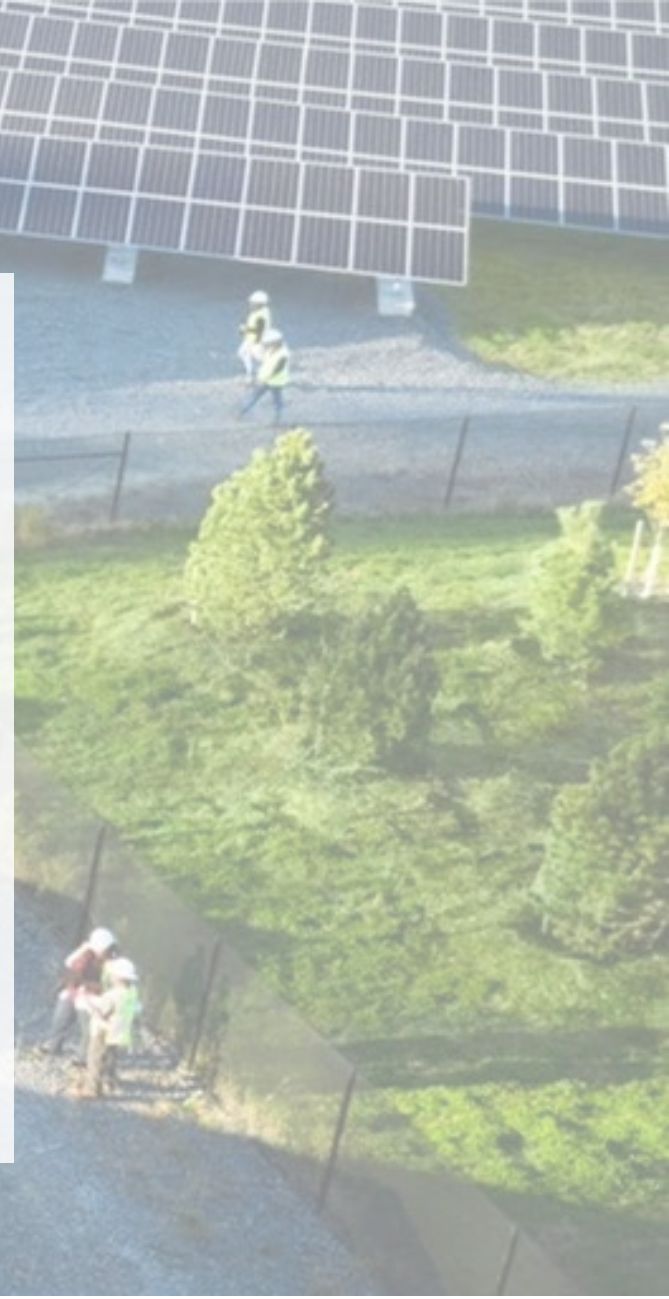
This presentation includes the non-GAAP measures, including, NFE/net financial loss, utility gross margin and financial margin. As an indicator of the Company's operating performance, these measures should not be considered an alternative to, or more meaningful than, GAAP measures, such as cash flows, net income(loss), operating income or earnings per share.

NFE/net financial loss and financial margin exclude unrealized gains or losses on derivative instruments related to the Company's unregulated subsidiaries and certain realized gains and losses on derivative instruments related to natural gas that has been placed into storage at Energy Services, and the impairment of NJR's investment in the PennEast project, net of applicable tax adjustments, as described below. Volatility associated with the change in value of these financial and physical commodity contracts is reported in the income statement in the current period. In order to manage its business, NJR views its results without the impacts of the unrealized gains and losses, and certain realized gains and losses, caused by changes in value of these financial instruments and physical commodity contracts prior to the completion of the planned transaction because it shows changes in value currently as opposed to when the planned transaction ultimately is settled. An annual estimated effective tax rate is calculated for NFE purposes, and any necessary quarterly tax adjustment is applied to "NJCEV", as such adjustment is related to tax credits generated by CEV.

NJNG's utility gross margin represents the results of revenues less natural gas costs, sales and other taxes and regulatory rider expenses, which are key components of the Company's operations that move in relation to each other. Natural gas costs, sales and other taxes and regulatory rider expenses are passed through to customers and therefore, have no effect on gross margin.

Management uses NFE/net financial loss, utility gross margin and financial margin, as supplemental measures to other GAAP results to provide a more complete understanding of the Company's performance. Management believes these non-GAAP measures are more reflective of the Company's business model, provide transparency to investors and enable period-to-period comparability of financial performance. In providing NFE guidance, management is aware that there could be differences between reported GAAP earnings and NFE/net financial loss due to matters such as, but not limited to, the positions of our energy-related derivatives. Management is not able to reasonably estimate the aggregate impact or significance of these items on reported earnings and therefore is not able to provide a reconciliation to the corresponding GAAP equivalent for its operating earnings guidance without unreasonable efforts. NFE/net financial loss, utility gross margin and financial margin are discussed more fully in Item 7 of our Report on Form 10-K and, we have provided presentations of the most directly comparable GAAP financial measure and a reconciliation of our non-GAAP financial measure, NFE/net financial loss, to the most directly comparable GAAP financial measure, in the appendix to this presentation. This information has been provided pursuant to the requirements of SEC Regulation G.

Agenda



1 First-Quarter FY 2022 Highlights
Steve Westhoven | President & CEO

2 Financial Highlights
Roberto Bel | SVP and CFO

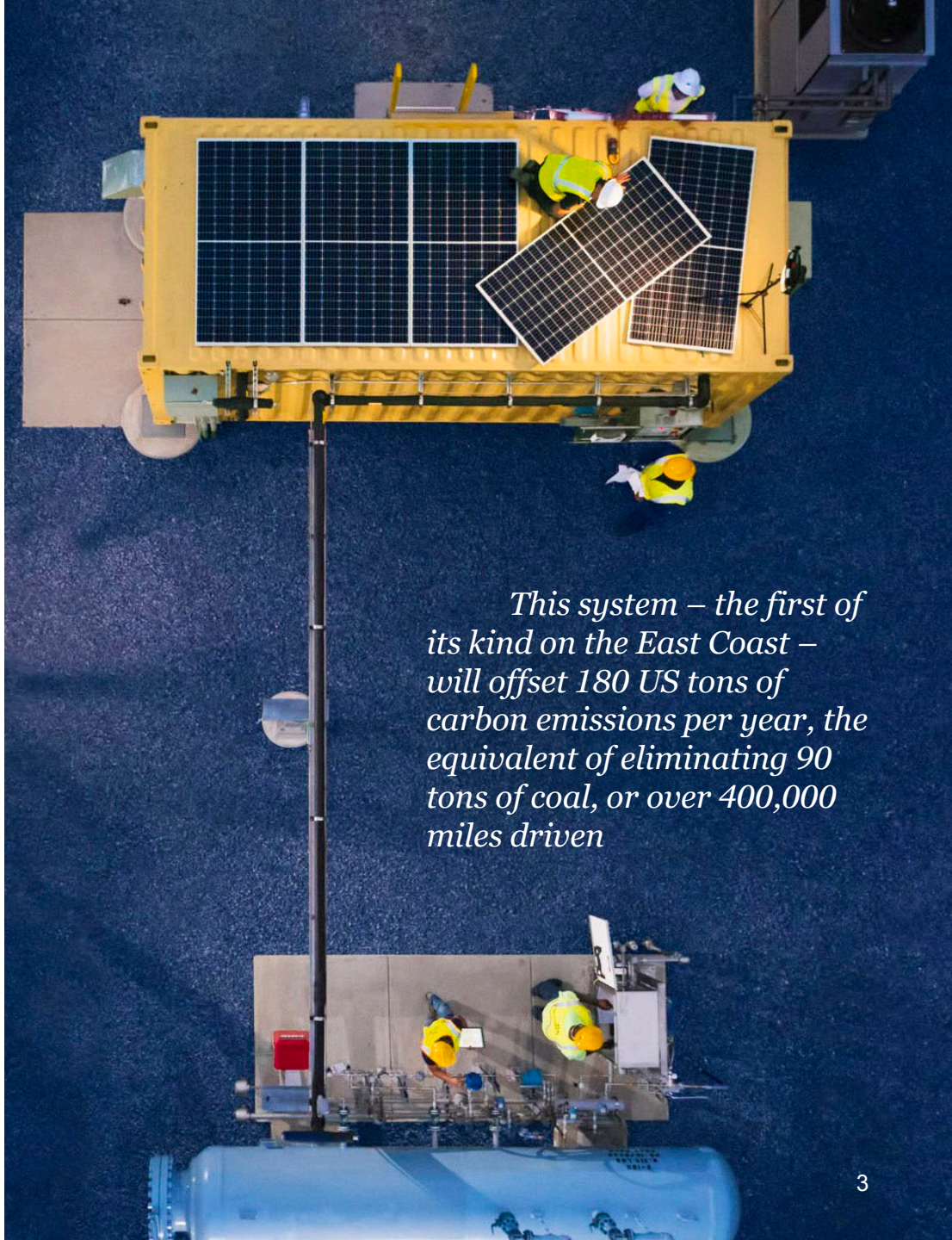
3 Q&A Session

2021 Sustainability Report

Highlighting our accomplishments:

- Announced **Net Zero by 2050 goal** for New Jersey operations
- First utility on the East Coast to **blend green hydrogen into its fuel stream**
- Launched **largest energy efficiency program** in NJNG's history
- **7th consecutive J.D. Power Award** to NJNG for Highest Customer Satisfaction*
- NJRCEV is **one of the largest owner-operators of solar assets in New Jersey**
- Launched **NJR's Coastal Climate Initiative**, an initiative to preserve vital coastal saltmarshes and reduce emissions
- Named a **Most Responsible Company by Newsweek** for 2022
- **Initiated reporting in line with** the recommendations of the Task Force for Climate-Related Financial Disclosure **(TCFD) framework**

2021 Sustainability Report



This system – the first of its kind on the East Coast – will offset 180 US tons of carbon emissions per year, the equivalent of eliminating 90 tons of coal, or over 400,000 miles driven

New Jersey Resources

** For J.D. Power 2021 award information, visit jdpower.com/awards.*

First-Quarter 2022 Summary

Fiscal 2022 off to a good start:

- Significant increase in fiscal Q1 net financial earnings
- Base rate case settled and new rates in place at NJNG
- CEV placed one project into service and continued to develop its pipeline of projects
- Adelphia Gateway placed two new projects in service in its Northern Zone in January
- NJRES Asset Management Agreements became effective



Moving forward with our Strategic Plan

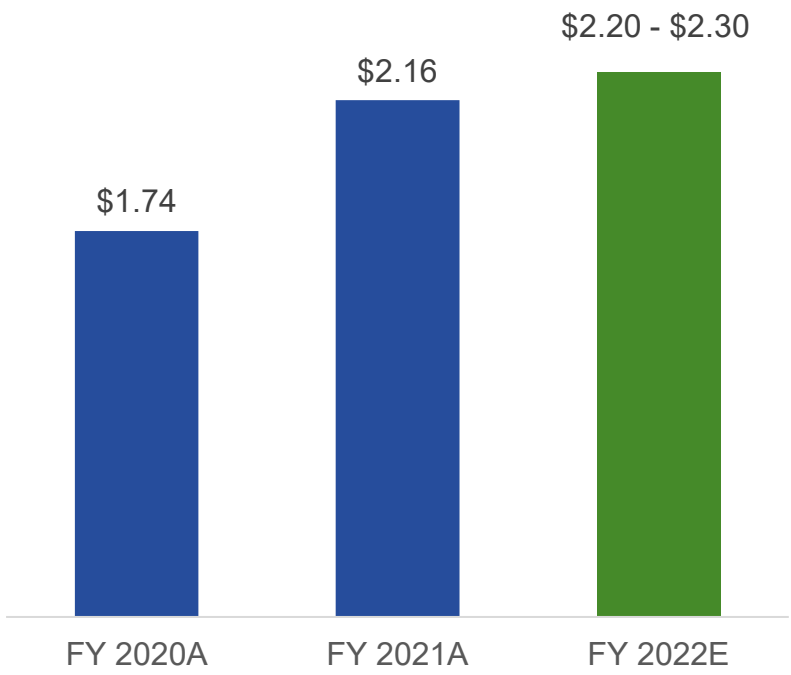
New Jersey Resources

** A reconciliation from NFE to net income can be found in the Appendix.*

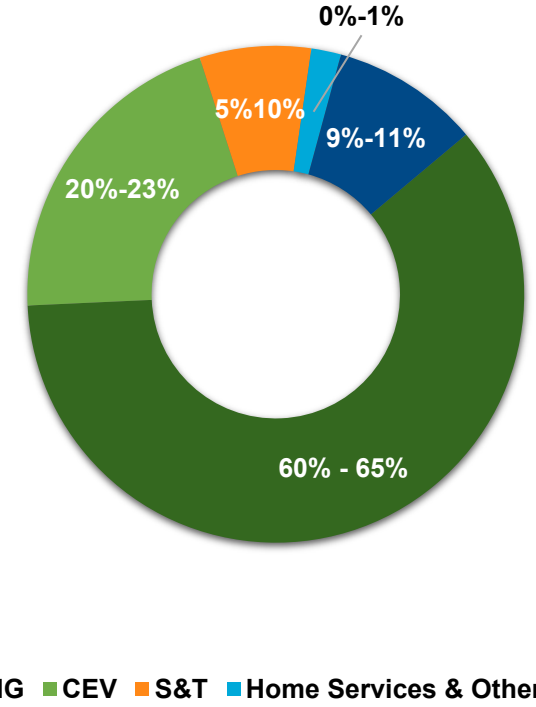
Fiscal 2022 Guidance Reaffirmed

Long-term growth NFEPS rate of 7-9%*

Net Financial Earnings per Share



Fiscal 2022 NFEPS Guidance by Segment



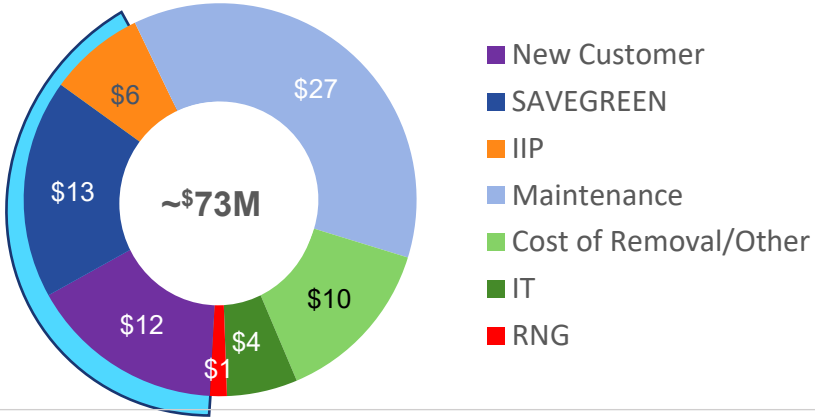
***Only considers margin contributions from fee-based revenue streams*

**Based on the midpoint of fiscal 2022 guidance*

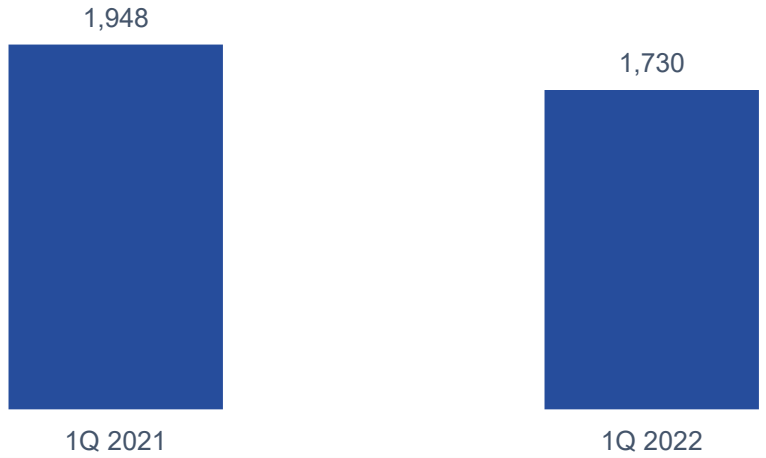
New Jersey Natural Gas

Fiscal YTD Capital Expenditures*

~43% of capital expenditures earning a near real-time return



New Customer Additions



H_2 project in service	• Placed in service in first quarter fiscal 2022 • Successfully blending green hydrogen into distribution system • Included in new base rates
Focus for Fiscal 2022	• Evaluate RNG and additional H_2 investments • Achieve SAVEGREEN investment targets • Continue to advance IT enhancements

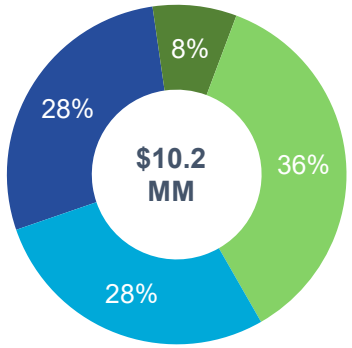
New Jersey Resources

** Total change in PP&E (cash spent, capex accrued and AFUDC). For GAAP purposes, SAVEGREEN investments are included as part of cash flows from operations*

Clean Energy Ventures

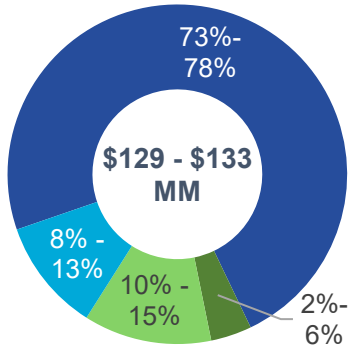
FY 2022E CEV Revenue ($ in millions)

1Q Fiscal 2022



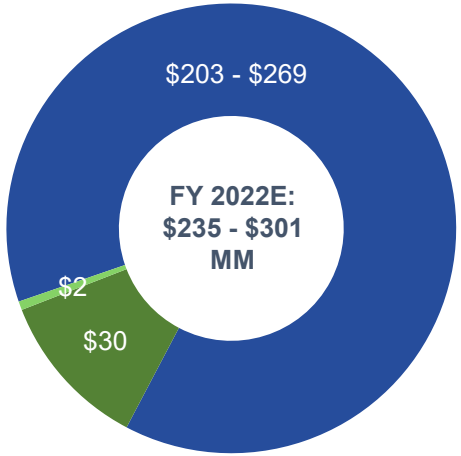
SREC
TREC
Electricity Sales
Sunlight Advantage

Fiscal 2022E

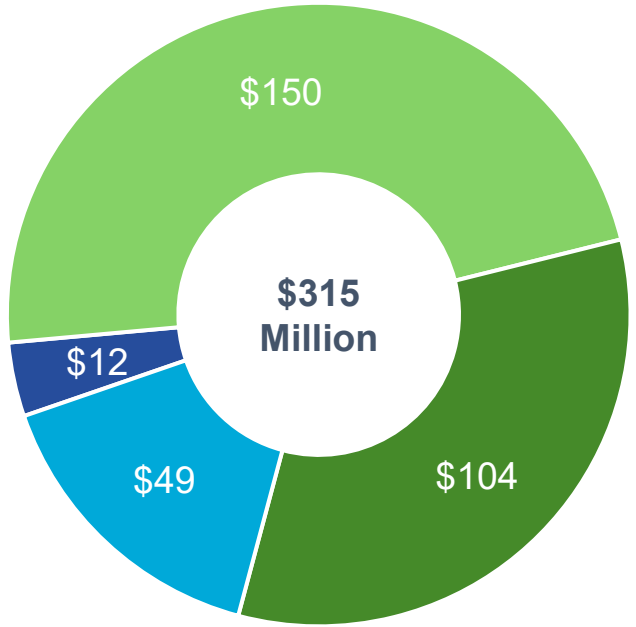


FY 2022 Capital Expenditures*

FYTD Commercial Capex
FYTD Residential Capex
Q2 – Q4 Capex



Fiscal 2021-2022 In-service Capex Target by Project Status ($ in millions)



Completed
Under Construction
Under Contract
Under Evaluation

New Jersey Resources

** Total change in PP&E (cash spent and capex accrued)*

Adelphia Gateway

South Zone Conversion and Expansion Project

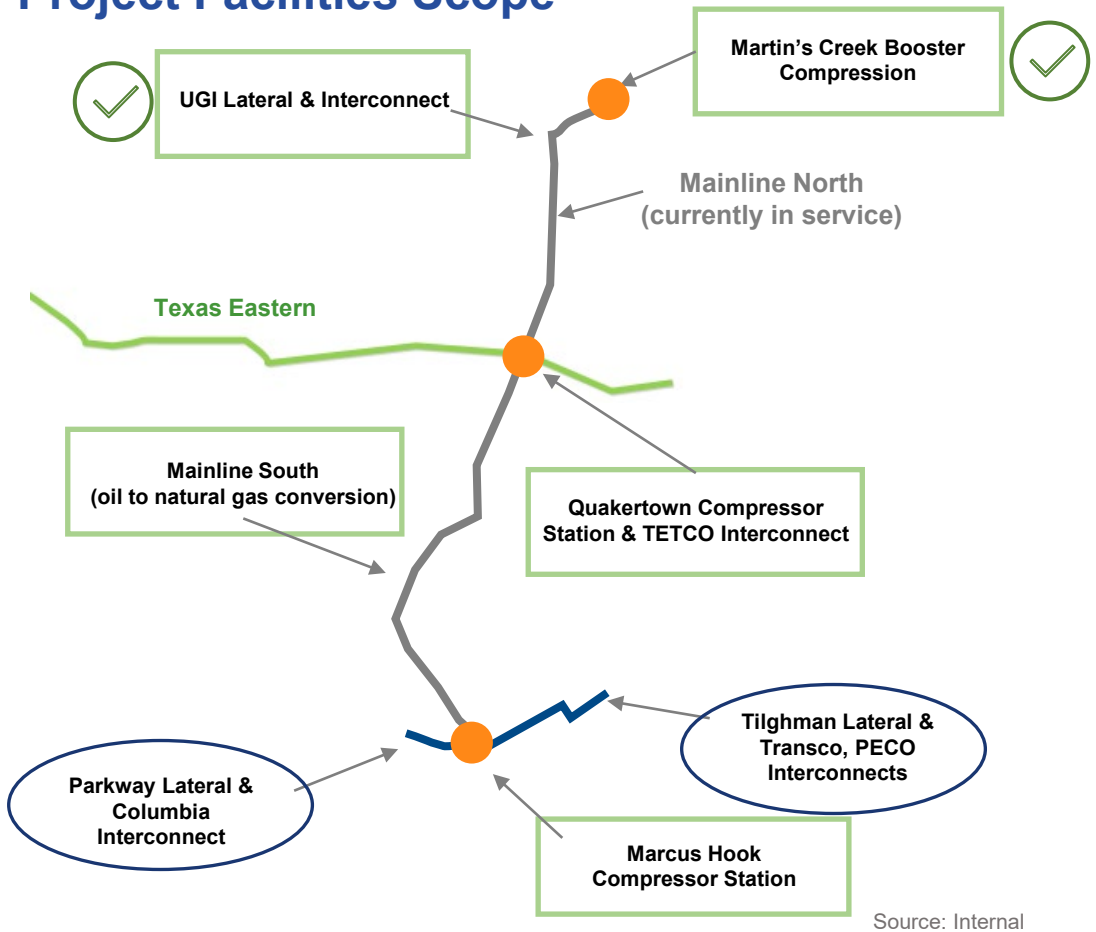
Project Status

- Placed into service in the Northern zone:
  - New delivery point with associated lateral line
  - Delivery point compressor
- 85% of total required construction completed

Project Overview

- *North zone operational at acquisition serving Talen Energy and adding the new UGI interconnect (in service) – 600,000 Dth/d*
- *South zone oil conversion and expansion; adding compression, laterals and interconnects – 250,000 Dth/d*
- *South zone planned to connect to Transco, Columbia and PECO. Serving Philadelphia and N.J. markets*

Project Facilities Scope



Source: Internal

Phase I Construction - Ongoing

Phase II Construction - Ongoing

New construction in-service

New Jersey Resources

Financial Review

Roberto Bel

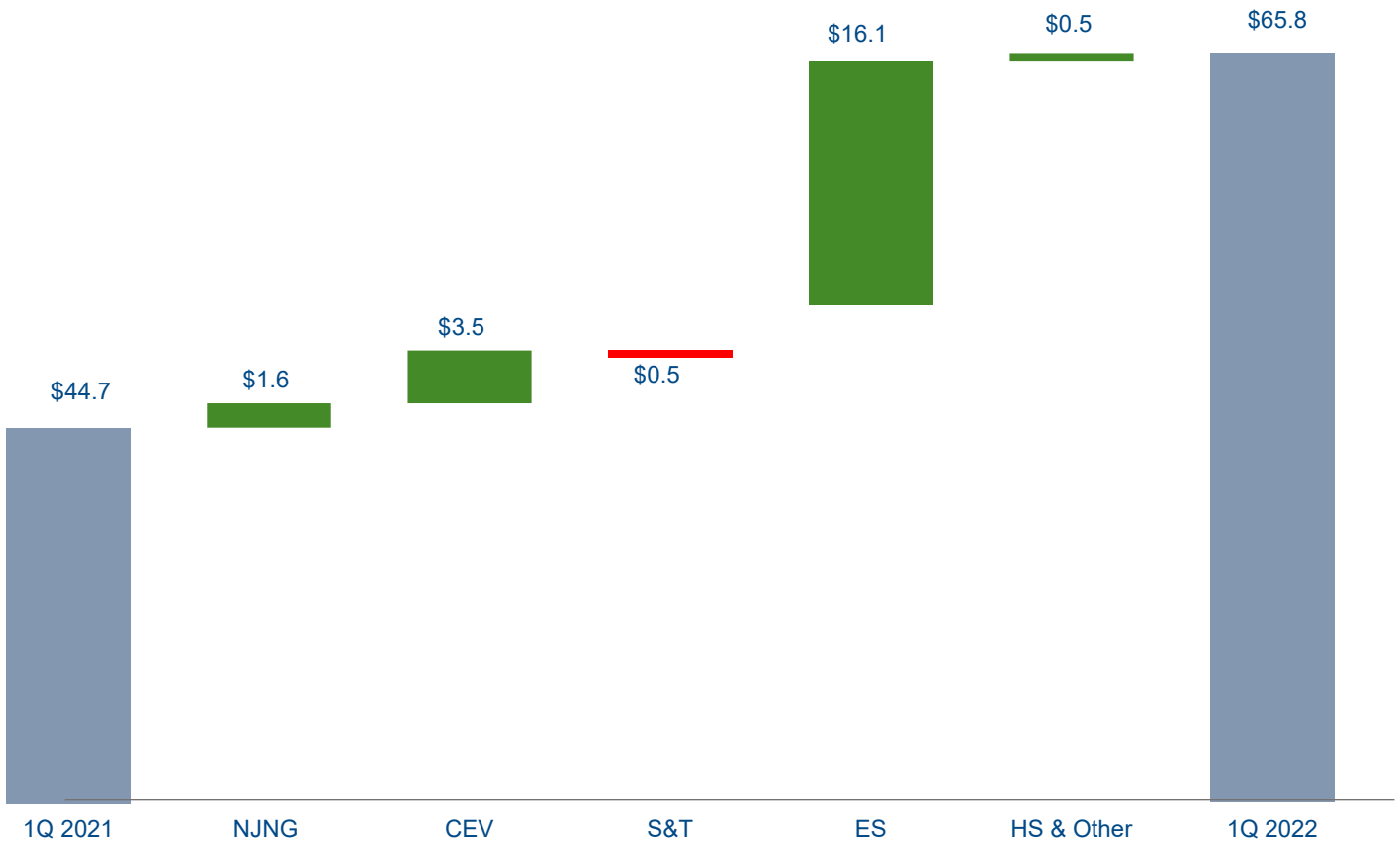
SVP & Chief Financial Officer



New Jersey Resources

Review of Fiscal 1Q22 NFE Changes

($ in Millions)



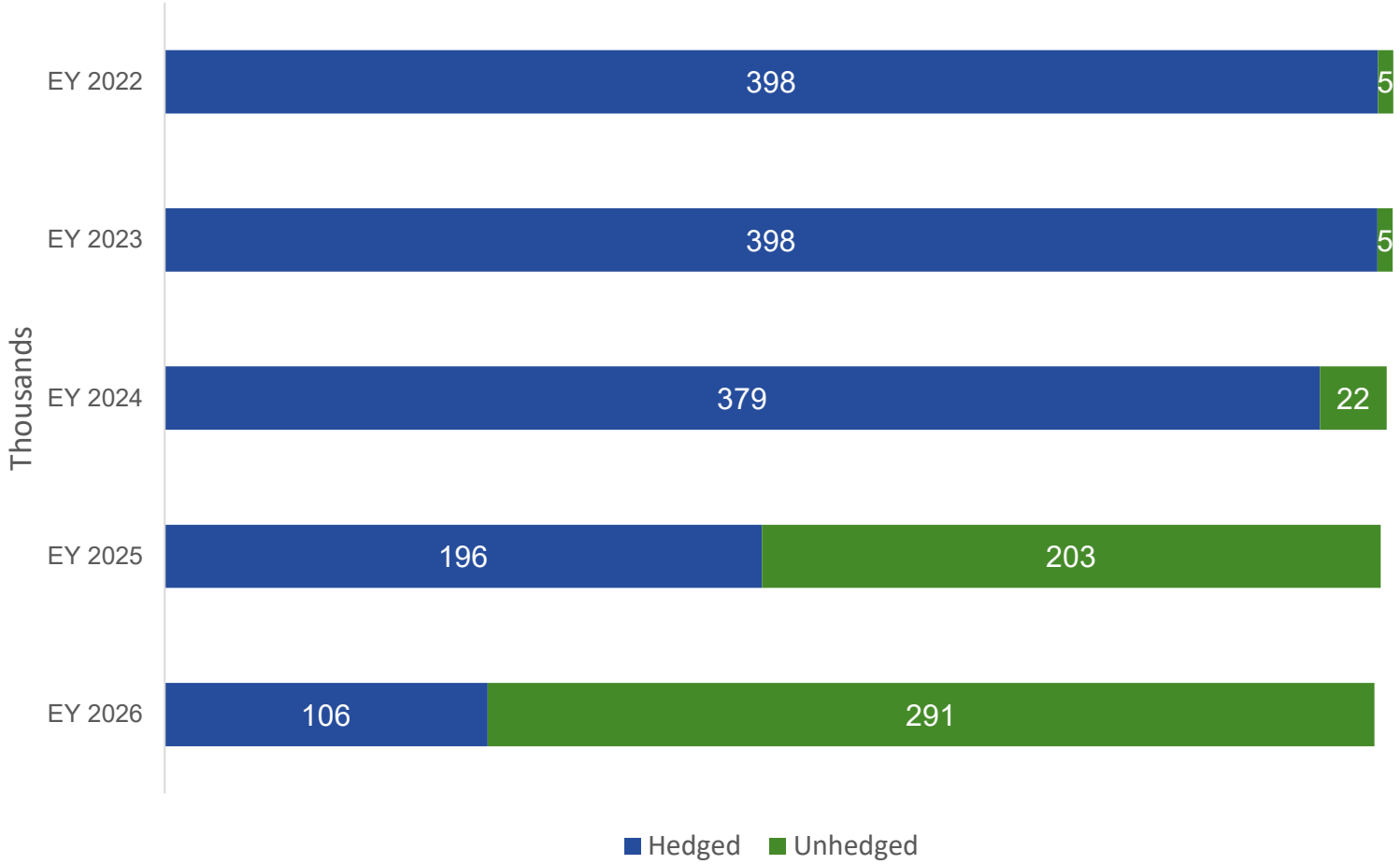
Fiscal 1Q21 – Consolidated NFE ($ in millions)	**$44.7**
NJNG	**$1.6**
Utility Gross Margin*	$7.8
O&M	$7.2
Depreciation & Amortization (D&A)	($3.7)
Interest expense, AFUDC, Income Tax	($9.7)
Clean Energy Ventures	**$3.5**
Revenue	$3.8
O&M	$0.3
D&A, Interest Expense and Other	($0.6)
Storage & Transportation	**($0.5)**
Operating Income	($1.8)
Equity in Earnings of Affiliates	($2.1)
Other	$3.4
Energy Services	**$16.1**
Financial Margin*	$19.2
Interest Expense, Income Tax and Other	($3.1)
Home Services and Other	**$0.5**
Revenues	$1.4
Other	($0.9)
Fiscal 1Q22 – Consolidated NFE ($ in millions)	**$65.8**

** A reconciliation of these non-GAAP measures can be found in the Appendix*

New Jersey Resources

NJR CEV – SREC Hedging Strategy Stabilizes Revenue

Based on Energy Year, as of January 19, 2022



Percent Hedged	Average Price	Current Price (EY)
99%	$201	$237

Percent Hedged	Average Price	Current Price (EY)
99%	$203	$226

Percent Hedged	Average Price	Current Price (EY)
95%	$197	$207

Percent Hedged	Average Price	Current Price (EY)
49%	$185	$190

Percent Hedged	Average Price	Current Price (EY)
27%	$172	$180

Note: Energy Years run from June 1 of the prior year to May 31 of the respective year; for example, Energy Year 2022 begins on June 1, 2021, and ends on May 31, 2022

New Jersey Resources

NJR Capital Plan[1]

($ in Millions)

		1Q FY2022A	FY2021A	FY2022E	FY2023E	Near Real Time Return?
New Jersey Natural Gas	New Customer	$12	$65	$52 - $56	$55 - $59	Yes
	Maintenance & Integrity	$27	$100	$142 - $148	$100 - $104	
	SAFE II/ NJ RISE		$42			Yes
	IIP	$6	$9	$24 - $28	$32 - $36	Yes
	SRL		$110			
	IT	$4	$9	$50 - $54	$54 - $58	
	RNG & P2G	$1	$5	$12 - $16	$21 - $25	
	Cost of Removal/Other	$9	$66	$34 - $38	$36 - $40	
	Facilities	$1	$63	$20 - $24	$13 - $17	
	SAVEGREEN	$13	$31	$48 - $52	$48 - $52	Yes
		$73	**$499**	**$382 - $416**	**$359 - $391**	
Clean Energy Ventures	Sunlight Advantage	$2	$11	$15 - $21	$16 - $22	
	Commercial Solar	$30	$78	$220 - $280	$190 - $250	
		$32	**$89**	**$235 - $301**	**$206 - $272**	
Storage and Transportation	Adelphia Gateway	$51	$113	$90 - $110	$5 - $10	
	Leaf River	$6	$11	$6 - $10	$3 - $7	
		$57	**$124**	**$96 - $120**	**$8 - $17**	
Grand Total		**$162**	**$712**	**$713 - $837**	**$573 - $680**	

1-Total change in PP&E (cash spent, capex accrued and AFUDC). For GAAP purposes, SAVEGREEN investments are included as part of cash flows from operations

New Jersey Resources

NJR Projected Cash Flows

($ in Millions)

		FY2021A	FY2022E	FY2023E
Cash Flow from Operations		**$391**	**$365 - $385**	**$450 - $470**
Uses of Funds	Capital Expenditures[1]	$625	$641 - $761	$513 - $616
	Dividends	$117	$127 - $132	$135 - $140
	Total Uses of Funds	**$742**	**$768 - $893**	**$648 - $756**
Financing Activities	Common Stock Proceeds – DRIP	$15		
	Debt Proceeds/Other	$336	$403 - $508	$198 - $286
	Total Financing Activities	**$351**	**$403 - $508**	**$198 - $286**

1- Excludes accrual for AFUDC and SAVEGREEN investments (for GAAP purposes, SAVEGREEN investments are included in Cash Flow from Operations)

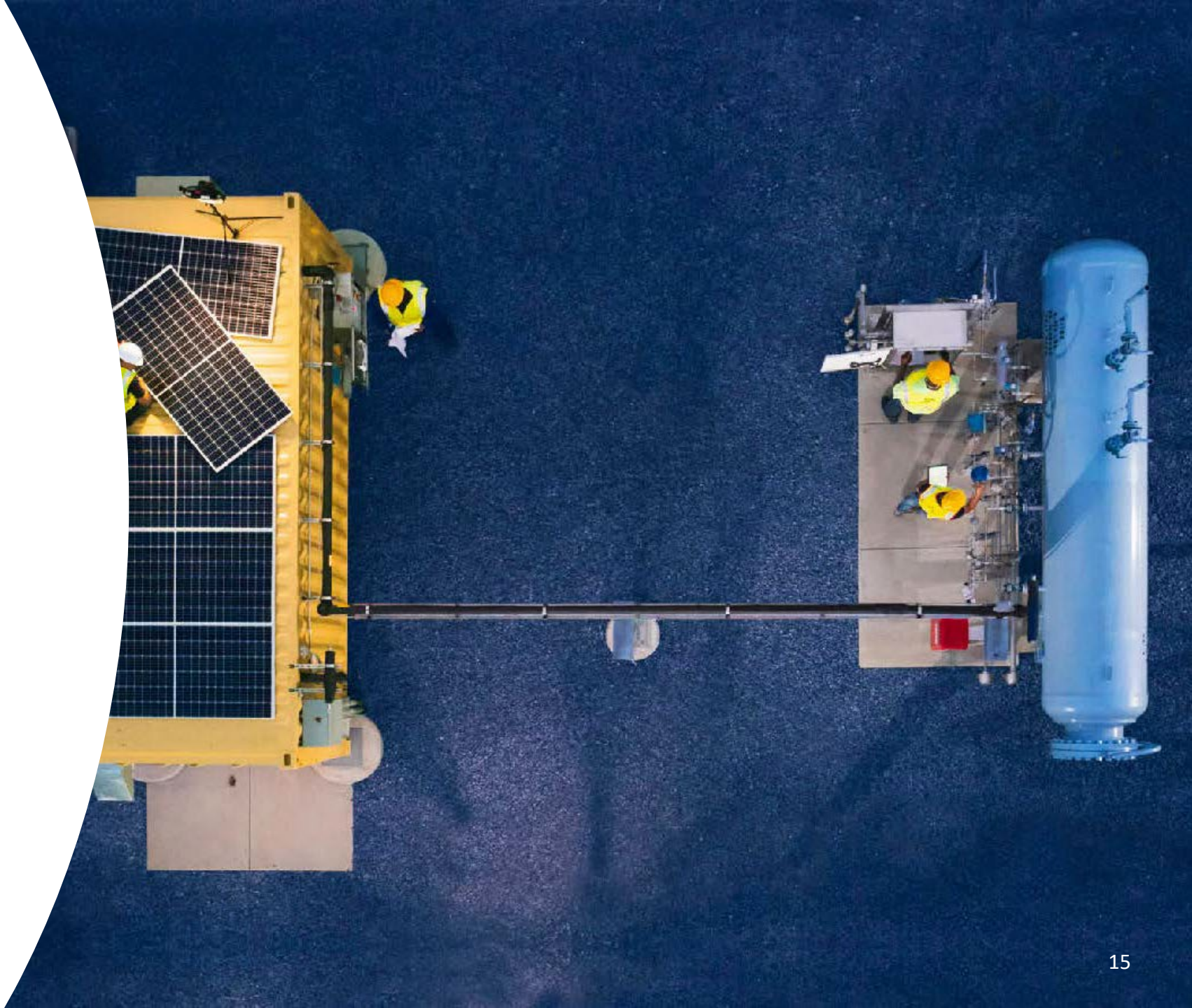
New Jersey Resources

Key Takeaways
First Quarter 2022

- On track to meet guidance for FY 2022
- CEV's asset base continues to grow
- Construction continues at Adelphia
- Strong cash flows supporting future dividend growth
- Upside remains for NJRES post-AMA through the long option strategy
- Delivering on our commitment to de-risk our business to produce predictable results

New Jersey Resources

Q&A



New Jersey Resources

Appendix



New Jersey Resources

First Quarter Fiscal 2022 NFE by Business Unit

(Thousands)	Three Months Ended December 31,		
	2021	2020	Change
New Jersey Natural Gas	$51,080	$49,467	$1,613
Clean Energy Ventures	(6,821)	(10,274)	3,453
Storage and Transportation	2,962	3,508	(546)
Energy Services	17,567	1,500	16,067
Home Services & Other	982	456	526
Total	**$65,770**	**$44,657**	**$21,113**
NFEPS	**$0.69**	**$0.46**	**$0.23**

New Jersey Resources

Reconciliation of NFE and NFEPS to Net Income for Fiscal 2022

- NFE is a measure of earnings based on eliminating timing differences surrounding the recognition of certain gains and losses and the impairment of NJR's investment in the PennEast project, net of applicable tax adjustments, to effectively match the earnings effects of the economic hedges with the physical sale of natural gas, SRECs and foreign currency contracts
- NFE eliminates the impact of volatility to GAAP earnings associated with unrealized gains and losses on derivative instruments in the current period

Net Financial Earnings, Fiscal 1Q22

(Unaudited)

	Three Months Ended December 31,	
	2021	2020
A reconciliation of net income, the closest GAAP financial measurement, to net financial earnings is as follows:		
Net income	**$ 111,312**	$ 81,045
Add:		
Unrealized (gain) on derivative instruments and related transactions	**(82,191)**	(37,491)
Tax effect	**19,536**	8,913
Effects of economic hedging related to natural gas inventory	**23,577**	(7,532)
Tax effect	**(5,603)**	1,790
Net income to NFE tax adjustment	**(861)**	(2,068)
Net financial earnings	**$ 65,770**	$ 44,657
Weighted Average Shares Outstanding		
Basic	**95,944**	96,114
Diluted	**96,356**	96,415
A reconciliation of basic earnings per share, the closest GAAP financial measurement, to basic net financial earnings per share is as follows:		
Basic earnings per share	**$ 1.16**	$ 0.84
Add:		
Unrealized (gain) on derivative instruments and related transactions	**$ (0.86)**	$ (0.39)
Tax effect	**$ 0.21**	$ 0.09
Effects of economic hedging related to natural gas inventory	**$ 0.25**	$ (0.08)
Tax effect	**$ (0.06)**	$ 0.02
Net income to NFE tax adjustment	**$ (0.01)**	$ (0.02)
Basic NFE per share	**$ 0.69**	$ 0.46

New Jersey Resources

Reconciliation of Non-GAAP Measures

NJNG Utility Gross Margin

- NJNG utility gross margin is defined as natural gas revenues less natural gas purchases, sales tax and regulatory rider expenses, and may not be comparable to the definition of gross margin used by others in the natural gas distribution business and other industries

Energy Services Financial Margin

- Represents revenues earned from the sale of natural gas less costs of natural gas sold including any transportation and storage costs, and excludes any accounting impact from the change in the fair value of certain derivative instruments

(Unaudited) *(Thousands)*	Three Months Ended December 31, 2021	2020
A reconciliation of operating revenue, the closest GAAP financial measurement, to utility gross margin is as follows:		
Operating revenues	**$ 274,772**	$ 195,729
Less:		
Gas purchases	**124,594**	59,309
Regulatory rider expense	**16,671**	10,701
Utility gross margin	**$ 133,507**	$ 125,719

A reconciliation of operating income, the closest GAAP financial measurement, to financial margin is as follows:		
Operating income	**$ 86,778**	$ 51,582
Add:		
Operation and maintenance expense	**3,751**	4,016
Depreciation and amortization	**28**	42
Subtotal	**90,557**	55,640
Add:		
Unrealized (gain) on derivative instruments and related transactions	**(85,647)**	(38,781)
Effects of economic hedging related to natural gas inventory	**23,577**	(7,532)
Financial margin	**$ 28,487**	$ 9,327

New Jersey Resources

New Base Rates

- Rate base of $2.5 billion
  - Southern Reliability Link and Howell green hydrogen facility included in rate base
- WACC of 6.84%
- ROE of 9.60%
- New rates effective December 1, 2021
- [2021-rate-case-settlement-FINAL.pdf (q4cdn.com)]

Overall Cost of Capital and Weighted Return			
	Percent	Approved Return	Weighted Cost
Long-Term Debt	46.0%	3.60%	1.66%
Common Equity	54.0%	**9.60%**	5.18%
Total	100.0%		6.84%

Settlement ($ in millions)		
Rate Base		$2,523
Rate of Return	x	6.84%
Operating Income Requirement		$172.61
Test Year Operating Income		($116.50)
Operating Income Deficiency		$56.10
Revenue Factor	x	1.4081
Settlement Amount[1]		$79.00

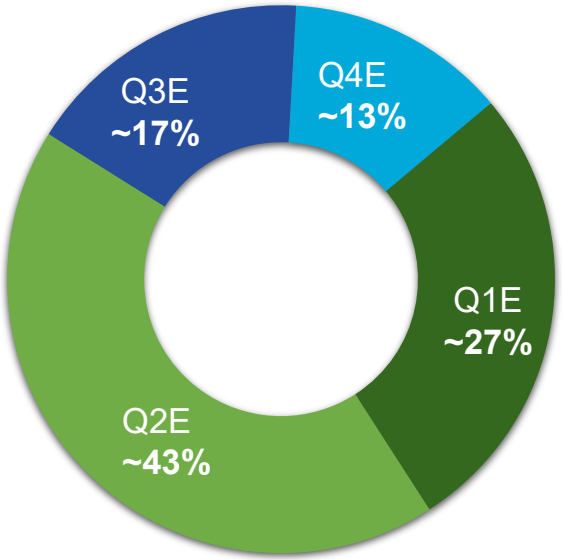
1. *Excludes $269,000 associated with SAFE II and NJ Rise rate increases*

Reaffirming FY 2022 NFE Guidance of $2.20 to $2.30 Per Share

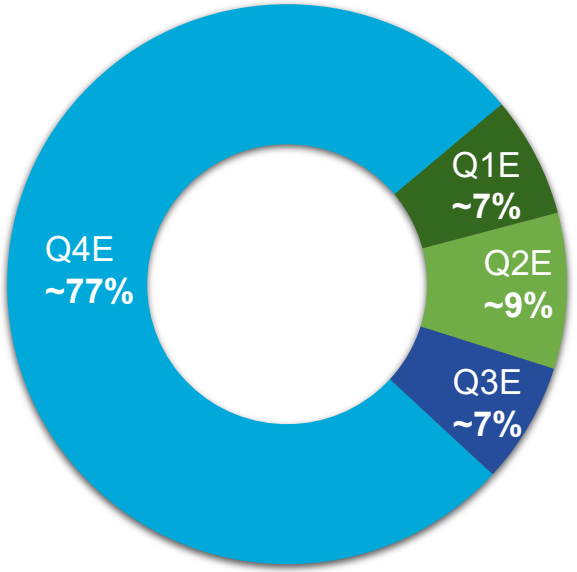
NFE Expected Segment Contributions

	FY2022E
NJNG	60%-65%
CEV	20%-23%
S&T	5%-10%
ES (AMA only)	9%-11%
HS & Other	0%-1%

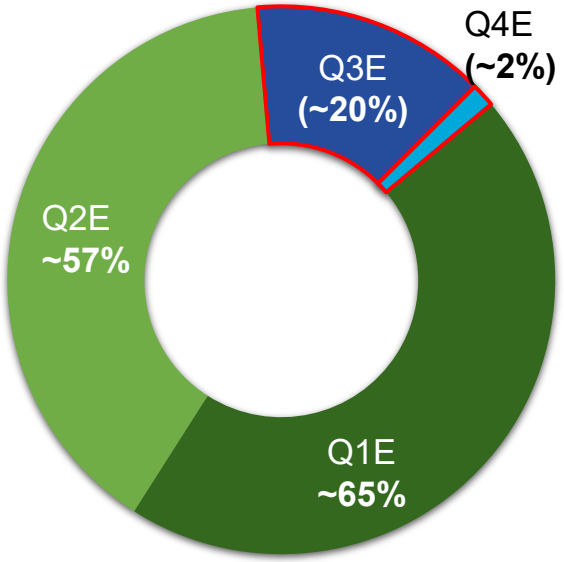
FY2022 Expected NJNG Utility Gross Margin Distribution



FY2022 Expected CEV Revenue Distribution



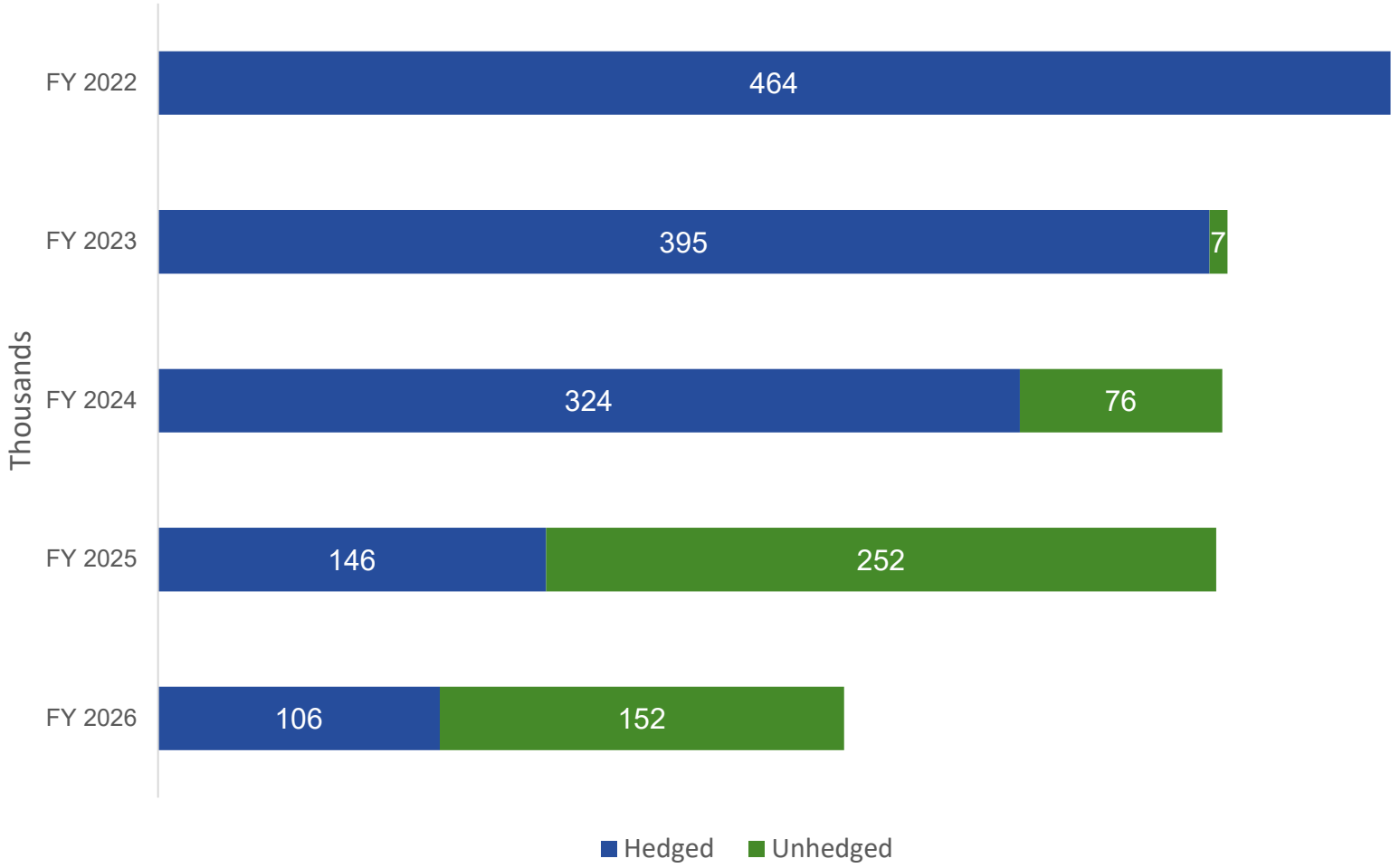
FY2022 Expected ES Financial Margin Distribution



New Jersey Resources

NJR CEV – SREC Hedging by Fiscal Year

As of January 19, 2022



Percent Hedged	Average Price	Current Price (FY)
100%	$203	$234

Percent Hedged	Average Price	Current Price (FY)
98%	$201	$220

Percent Hedged	Average Price	Current Price (FY)
81%	$193	$202

Percent Hedged	Average Price	Current Price (FY)
37%	$186	$187

Percent Hedged	Average Price	Current Price (EY)
41%	$172	$180

New Jersey Resources

Revenue Recognition for AMAs

The Transaction:

AMAs feature initial and permanent capacity releases with cash payments throughout

The Accounting:

ASC 606 revenue recognition standard requires that revenue be allocated to both the initial and permanent releases

The Result:

Disproportionate value is allocated to the permanent release periods in FY 2024 and FY 2032

	Revenue Recognition* ($ millions)	Cash ($ millions)
Fiscal Years 2022 – 2024	$239	$261
Fiscal Years 2025 – 2031	$138	$240
Fiscal Year 2032	$124	$0
	$262	$240
Total	**$501**	**$501**

** Revenue recognition for FY2022 is expected to be $53.1 million, of which $22.1 million was recognized in fiscal Q1 2022. Additionally, in fiscal Q1 2022, NJR received this year's cash payment of $86.8 million.*

New Jersey Resources