









American Gas Association Financial Forum

May 19 - 20, 2021

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 2021 and fiscal 2022, NJR Energy Services' asset management agreements and its expected revenue, NJR's long-term NFE growth rate, dividend growth and dividend payout forecast, forecasted contribution of business segments to NJR's NFE from fiscal 2021 through fiscal 2022, projected cash flows from operations through fiscal 2024, New Jersey Natural Gas Company's (NJNG) rate base compound annual growth rate (CAGR), planned capital expenditures, infrastructure and sustainability investments, NJNG's approved energy efficiency program, customer growth rate and timetable and results of future base rate cases, schedule for completion of infrastructure projects, including but not limited to, Southern Reliability Link, NJRISE, SAFE II, and Infrastructure Investment Program (IIP), NJR's environmental sustainability and clean energy goals, emissions reduction strategies, initiatives and targets and our investments in infrastructure, renewables and emerging technologies such as renewable natural gas, hydrogen gas, battery storage and electric vehicle charging stations, NJR Clean Energy Ventures' (CEV) future capital investment target, projected installed solar capacity, revenue growth, project returns, the eligibility of projects for investment tax credits (ITC) (including expected safe-harbored ITC rates), demand for residential and commercial solar energy and CEV's ability to expand outside of New Jersey, the ability to execute on tax equity financing, our ability to construct, profitably operate and expand the Adelphia Gateway pipeline, including forecasts with respect to construction timing, the nature of future revenues and customer contracts, our ability to profitably operate and expand the Leaf River Energy Center, PennEast's ability to build and construct its planned pipeline, the impact of a change in accounting policy for ITCs, and the ongoing COVID-19 pandemic and its impact on NJR's liquidity, business operations, financial condition, results of operations and cash flows.

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, financial margin and Adjusted EBITDA at Storage and Transportation (S&T). 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, 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 CEV, as such adjustment is related to tax credits generated by CEV.

Management uses NFE/net financial loss, financial margin and S&T Adjusted EBITDA, 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 fiscal 2021 -2022 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. In addition, in making forecasts relating to S&T Adjusted EBITDA, management is aware that there could be differences between reported GAAP earnings due to matters such as, but not limited to, the unpredictability and variability of future earnings, working capital and cash positions. Management is not able to reasonably estimate the aggregate impact or significance of these items on reported GAAP measures and therefore is not able to provide a reconciliation to the corresponding GAAP equivalent for such forecasts without unreasonable efforts. NFE/net financial loss financial margin are discussed more fully in Item 7 of our Form 10-K. And, we have provided presentations of the most directly comparable GAAP financial measure and a reconciliation of our non-GAAP financial measures, NFE/net financial loss, financial margin and S&T Adjusted EBITDA to the most directly comparable GAAP financial measures, in the appendix to this presentation. This information has been provided pursuant to the requirements of SEC Regulation G.

New Jersey Resources

Agenda



1 Strategic Update

2 NJNG Business Update

3 CEV Business Update

4 S&T Business Update

5 Energy Services Business Update

6 Appendix

New Jersey Resources

NJR's Business Portfolio

Our complementary businesses create an Energy Infrastructure Platform that originates from our deep expertise across the energy value chain

Retail Operations; Wholesale Energy Markets & Customers; Natural Gas Operations; Distribution & Transportation Infrastructure



New Jersey Natural Gas	Clean Energy Ventures	Storage & Transportation	Energy Services	Home Services
Natural Gas Utility with more than 558,000 customers throughout Monmouth, Ocean, Morris, Middlesex and Burlington counties	▪ *Residential and commercial solar investments* ▪ *360 MW of installed capacity*	Storage: *Leaf River Energy Center* *Steckman Ridge (50%)* Transportation: *Adelphia Gateway* *PennEast Pipeline (20%)*	*Storage, transportation and asset management services*	*HVAC and appliance repair services company*

New Jersey Resources

Covid-19 Update

Our Team	• Non-essential employees continue to work remotely • Essential employees in the field or office are following CDC and state guidelines
Our Customers and Communities	• Continue to suspend customer disconnects and late fees • Energy assistance available for customers' bills through assistance programs from federal, state and NJNG's Gift of Warmth programs • Donations for community support (local food banks) and NJ Pandemic Relief Fund
Our Business	• Business operations not materially affected at any of our businesses so far, including construction and capital programs • Despite the pandemic, NJNG continued to add customers, but at a slightly slower pace. Added 3,694 new customers through the first six months of fiscal 2021, compared with 4,339 during the same period in fiscal 2020 • On October 15, 2020, Governor Murphy issued Executive Order 190 which extended the moratorium on customer shut-offs due to non-payment; on March 3rd, the moratorium was extended again until June 30th • No material increase in our accounts receivable due to the pandemic so far. In addition, the BPU has approved the establishment of a regulatory asset for NJ Utilities to defer certain costs associated with the response to COVID-19. NJNG may defer these costs and seek recovery in a future rate case or stand-alone filing • Strong liquidity position

Quarterly Review

Second-Quarter 2021 Summary

- NJR reported EPS of $1.56 and NFEPS of $1.77* for Fiscal 2Q21
- **Increased FY 2021 NFEPS guidance to $2.05 to $2.15** from guidance previously issued on March 15, 2021 of $1.85 to $1.95
  - Initial guidance increase included an estimate for Energy Services' (ES) potential bad debt exposure
  - Revised guidance reflects payment from nearly all ES counterparties
- **On March 30, NJNG filed a base rate case** to recover infrastructure investments, including the costs associated with the Southern Reliability Link
- **NJNG received approval for SAVEGREEN 2020,** it's new, $259 million energy efficiency program – investments are expected to begin in 2021
- **CEV added 2.7 MWs** of commercial solar capacity by placing one project into service; first out-of-state project placed into service
- **Leaf River performed well during the February weather event,** providing uninterrupted service to customers under challenging circumstances
- **Adelphia Gateway received the necessary Pennsylvania DEP permits** and is seeking Notice to Proceed from FERC for construction of laterals

New Jersey Resources

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

Fiscal 2021 NFEPS Guidance

Increased FY 2021 NFEPS Guidance to $2.05 - $2.15[1]



** Reported NFEPS for fiscal 2020 was $2.07. On October 1, 2020, NJR switched to the deferral method of accounting for ITCs going forward and as such have recast prior periods to reflect the change. The recast fiscal 2020 NFEPS is $1.76.*

New Jersey Resources

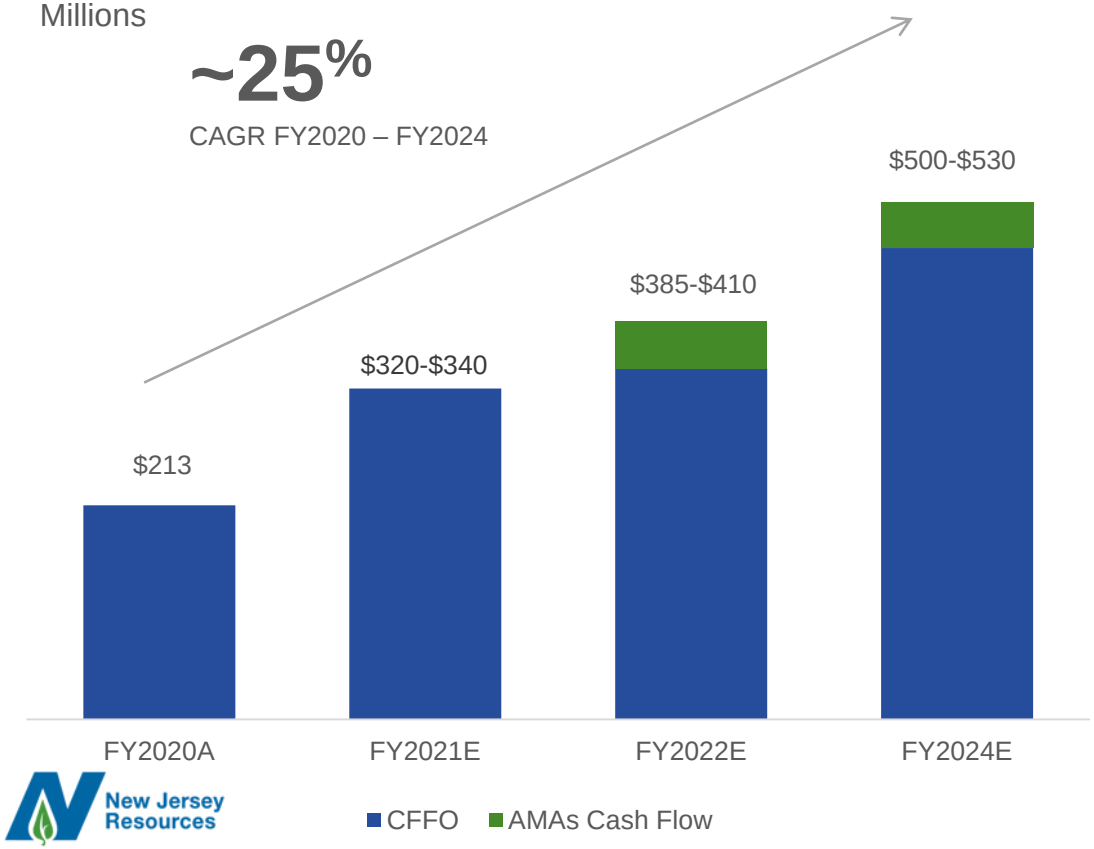
[1]NJR updated guidance on May 6, 2021 and such guidance and related statements are not being updated in this presentation

Strong Cash Flows Supporting Dividend

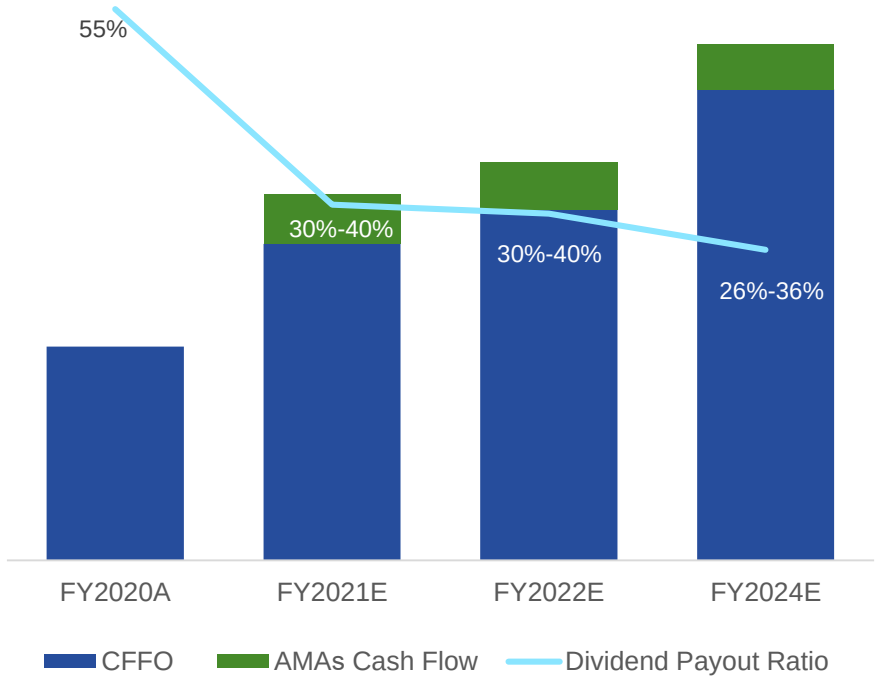
Energy Services' contributions improve operating cash flows, strengthen the balance sheet and reinforce our commitment not to issue block equity

Cash Flow from Operations

Millions



Dividend as Percentage of CFFO



New Jersey Resources

Capitalizing on Clear Market Opportunities to Drive Organic Growth and Value Creation

Fundamental Beliefs

- Shift to low carbon and renewables
- Natural gas will continue to play vital role in energy future
- Existing natural gas infrastructure will become more valuable
- Solar power is core to public policy and generation cost will continue to decrease

New Jersey Resources

** Excludes contributions from Energy Services (AMAs and regular business)*

Key Business Initiatives

Grow Core Businesses, NJNG and CEV

- *~11% rate base CAGR at NJNG*
- *CEV capital investment of ~$850 million over the next 4 years*

More Predictable and Stable NFE

- *S&T and Energy Services focused on stable fee-based revenue*
- *No reliance on PennEast or Energy Services to meet targets*
- *Prioritizing tax equity financing for solar projects*

Invest in the Clean Energy Future

De-Risked Financial Targets

6-10%
Long-Term NFEPS Growth after FY2021*

6-10%
Long-Term Annual Dividend Growth per Share

~25%
Annual CFFO Growth FY2020-FY2024

~11%
Rate Base CAGR FY2019-FY2024

$2.6B
Planned Capex FY2021-FY2024



Putting Sustainability into Action – Q2 Highlights

- *Released NJR's 2020 Corporate Sustainability Report on January 20, 2021*
- *Furthering commitment to ESG transparency, 2020 report addresses Sustainability Accounting Standards Board (SASB) and American Gas Association (AGA) frameworks*
- *Launched NJR's Coastal Climate Initiative with The Nature Conservancy in New Jersey, supporting carbon sink land restoration along New Jersey's coastline*

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Premier Natural Gas Utility

Operates and Maintains Over 7,500 Miles of Natural Gas Transportation and Distribution Infrastructure Serving Over 558,000 Customers Predominately in Monmouth, Ocean and Morris Counties

561.5k
Total Customers

$2.3B*
Rate Base

$1.5B
Forecasted investments FY2021-FY2024

9.6%
Approved ROE

97%
Non-volumetric utility gross margin

~11%
Expected rate base CAGR FY2019-FY2024

<0.1%
Fugitive methane emissions rate

1.7%
Forecasted annual customer growth (next 3 years)

$46M
Amount saved for customers through basic gas supply incentive programs in FY2020

** Rate base proposed on March 30, 2021 in a rate case filing; excludes SRL*

New Jersey Resources



Supportive Regulatory Construct

Stable Rate Case Results

- Rate case results are stable
  - Current ROE of 9.60% with an equity layer of 54%
  - Full recovery of plant investments to date
  - Rate cases are generally settled (almost never litigated)
- Resolution of cases have been timely
  - Last case filed in March 2019 and effective on November 15, 2019

Minimization of Regulatory Lag

- Investments in customer growth, IIP, SAFE II and NJ RISE earn real-time recovery or accelerated recovery through annual mechanisms
- Through the SAVEGREEN program, energy efficiency investments also have an annual cost recovery mechanism that accelerate recovery of investments and returns

Volume & Commodity Risk Mitigation

- Volume risk due to conservation and weather mitigated through the *Conservation Incentive Program (CIP);* effectively, NJNG receives a margin per customer
- NJNG's natural gas commodity price risk is mitigated through the *Basic Gas Supply Service (BGSS)* program

Margin Sharing Incentives

- BGSS incentive program allows for margin sharing between customers and NJNG (85%/15%) of off-system sales, capacity release and storage incentives
- Program designed to reduce costs related to gas supply contracts

Strong and Stable Utility Gross Margin Profile

- Insulated from volume and commodity volatility
- Mitigates regulatory lag
- Aligned with environmental goals

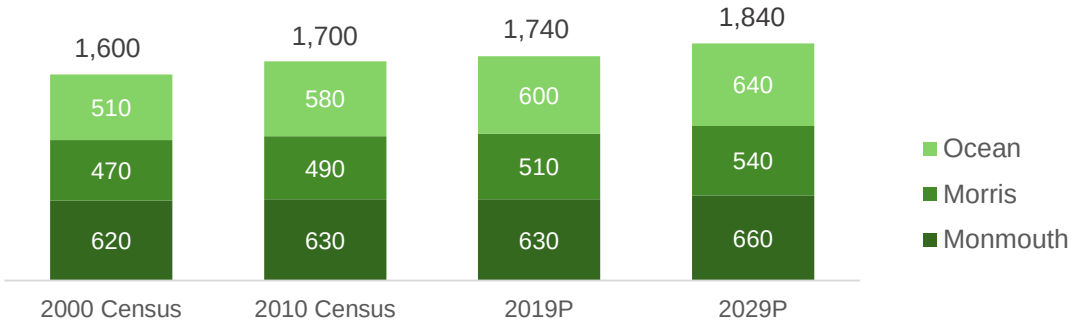
New Jersey Resources

Growing Customer Base with Strong Demographics

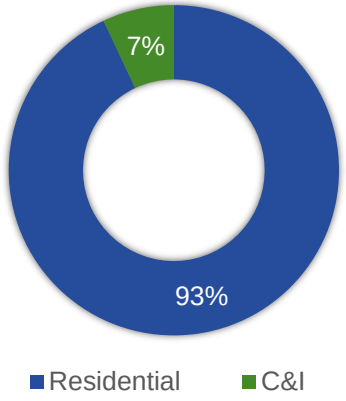
Attractive service territory with mostly residential customer base and growing population

Population[1]

thousands

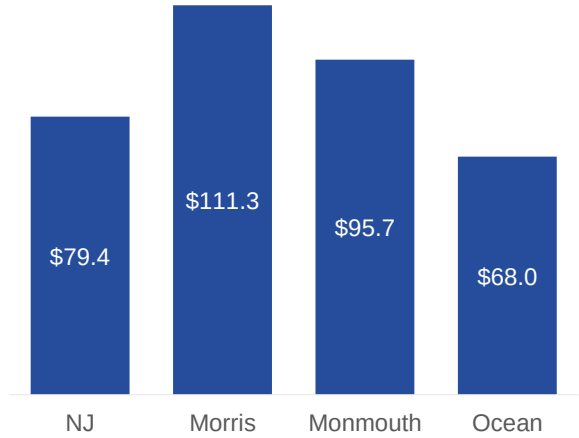


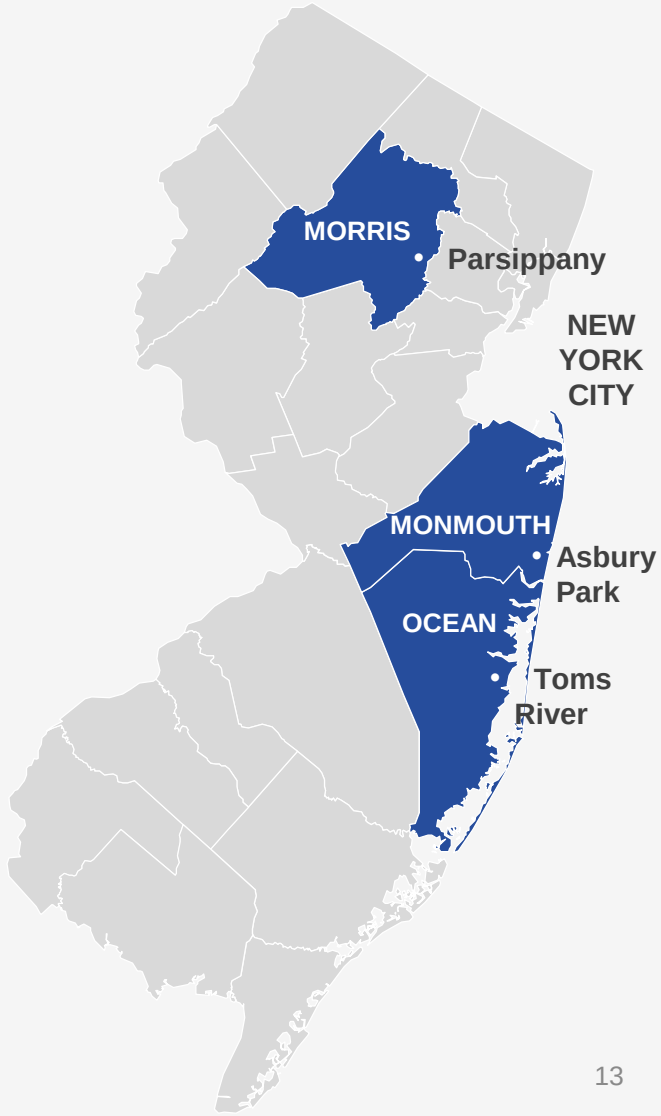
FY2020 Customer Composition



Median Household Income[2]

thousands





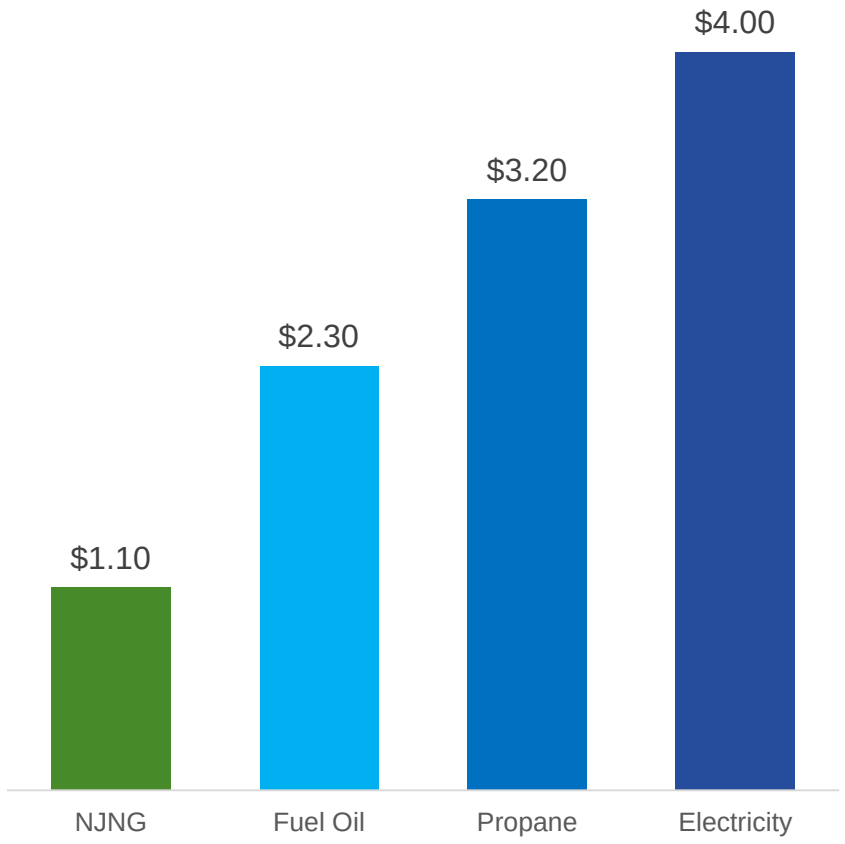
1. Source: N.J. Department of Labor
2. Source: U.S. Census Bureau

Delivering Value to Our Customers

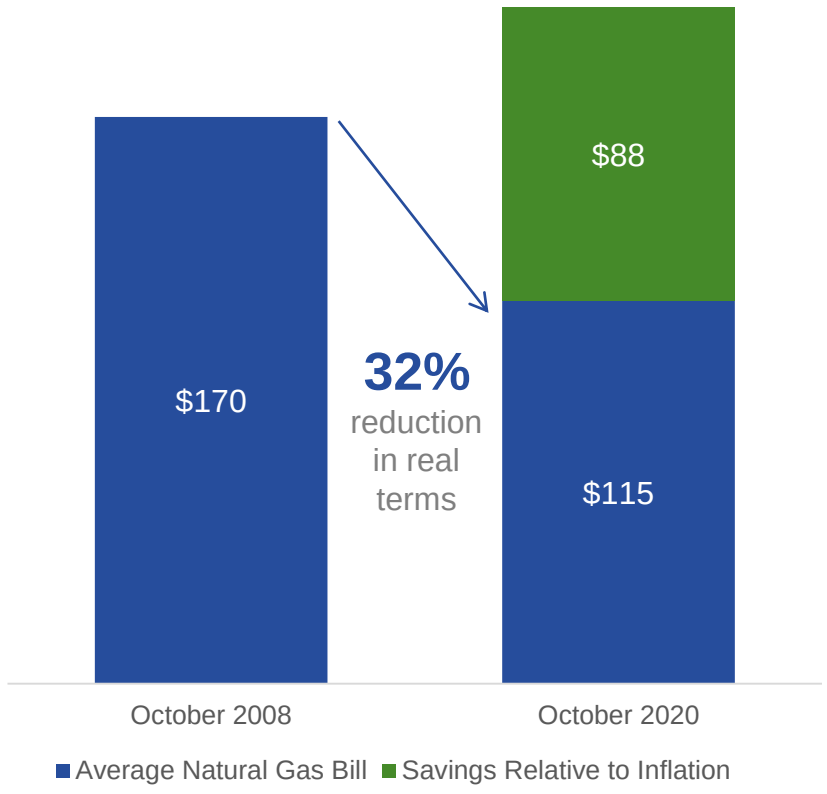
Natural gas continues to be the most affordable choice for home heating

Equivalent Customer Cost[1]

Energy Cost



NJNG Average Natural Gas Bill Evolution[2]



1. Source: U.S. Energy Information Administration; as of March 2020; based on 100,000 comparable BTUs
2. Based on 100 therm monthly usage as of October 2020



In 2020, a lot has changed – being here for our customers has not.

#1 Customer satisfaction with residential natural gas service in the east among large utilities, 6 years in a row

#1

Across All Six Study Factors

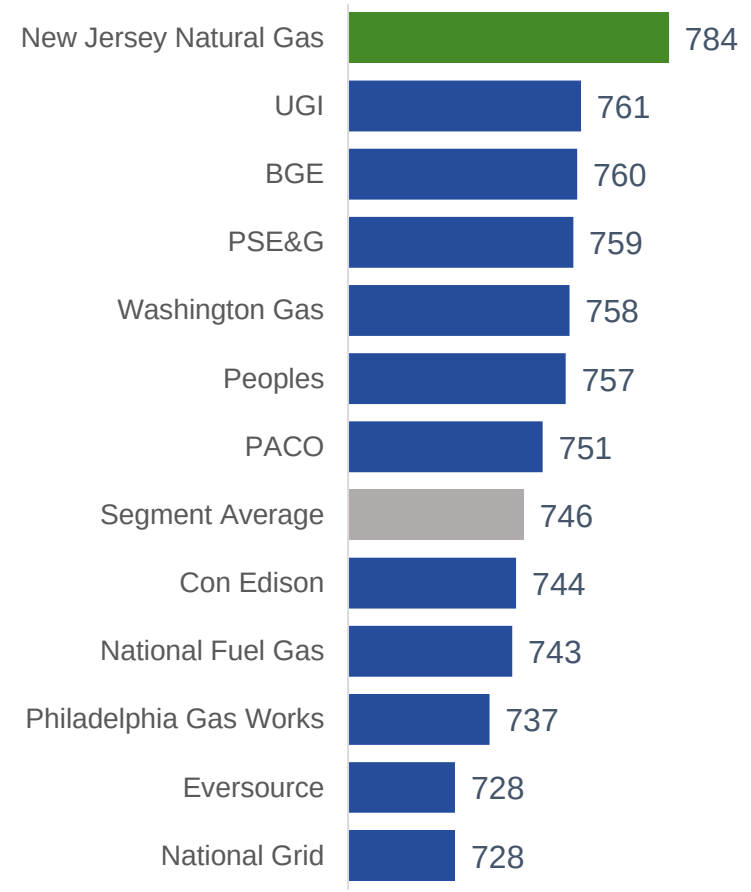
1. Safety and Reliability
2. Billing and Payment
3. Communications
4. Corporate Citizenship
5. Price
6. Customer Service



J.D. POWER

2020 Gas Utility Residential Customer Satisfaction Study℠

Overall Customer Satisfaction Index Ranking
East Region: Large Segment



Based on 1,000-point scale

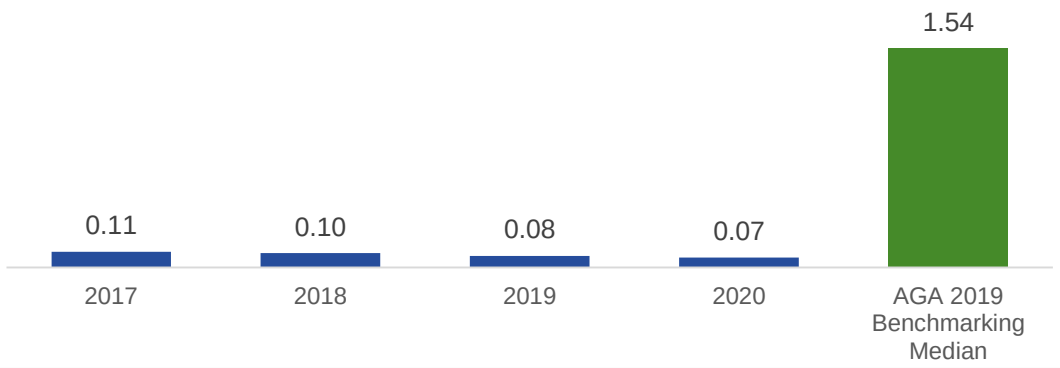
New Jersey Resources

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

Generating Superior Operational Results

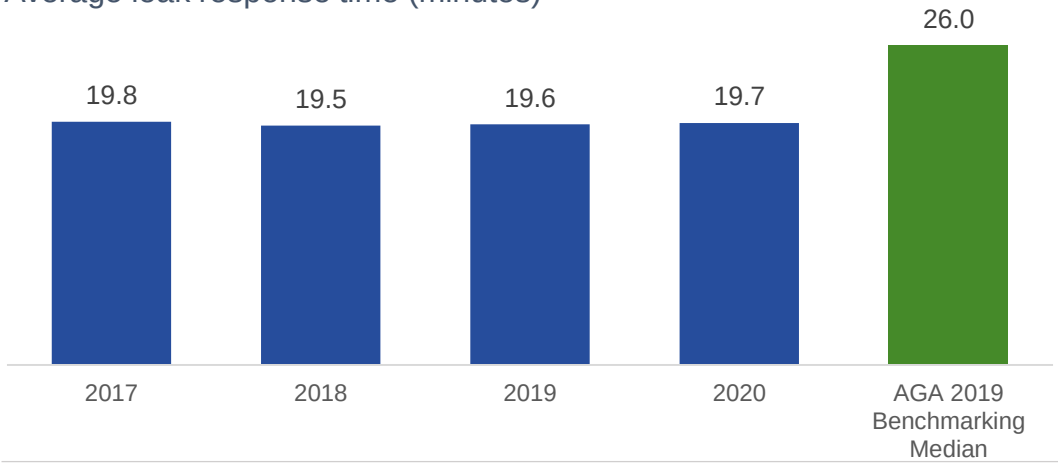
Strengthening System Integrity

Leaks per mile of system



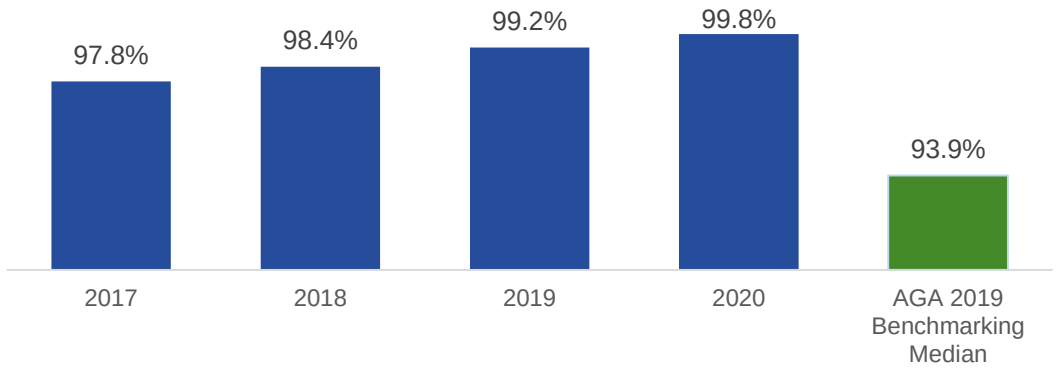
Ensuring Customer Safety

Average leak response time (minutes)



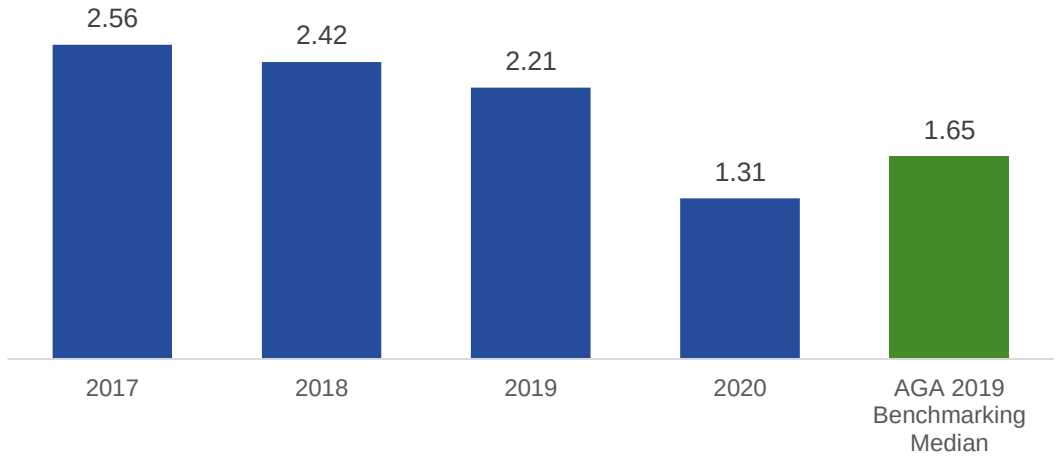
Mitigating Risk

Percent of system plastic/protected



Improving Employee Safety

DART incident rate (per 100 full time employees)



New Jersey Resources

Most Environmentally Sound Natural Gas Delivery System in New Jersey[1]

Committed to reducing and minimizing methane emissions from distribution system

$1.9B
invested in natural gas delivery system infrastructure in last decade

Reduced methane emissions by **>900 metric tons** in past five years

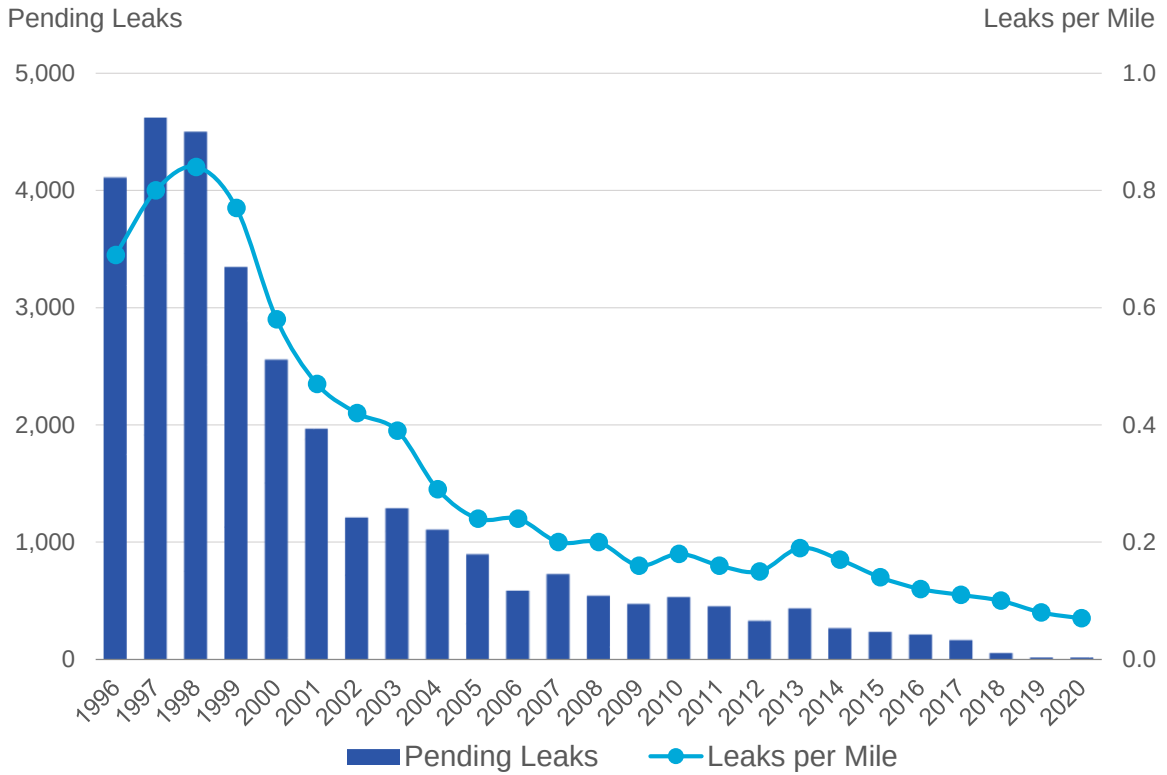
1st natural gas utility in N.J. to **fully replace cast iron pipes**

1st N.J. utility expected to replace the bare steel in its distribution system by end of 2021

1st utility in nation to **purchase TrustWell™ responsibly sourced gas**

Continuous Improvement on Pending Leaks

Lowest number of leaks-per-mile of any natural gas utility in the state



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1. As measured by leaks per mile

Rate Case Filing

Requested an increase to base rates of $165.7 million

- Equivalent to an increase of $117.9 million in operating income

Proposed rate base of $2.3 billion[1]

Nearly $850 million of invested capital since 2019

- Includes ~$300 million related to SRL

Overall Cost of Capital and Rate of Return

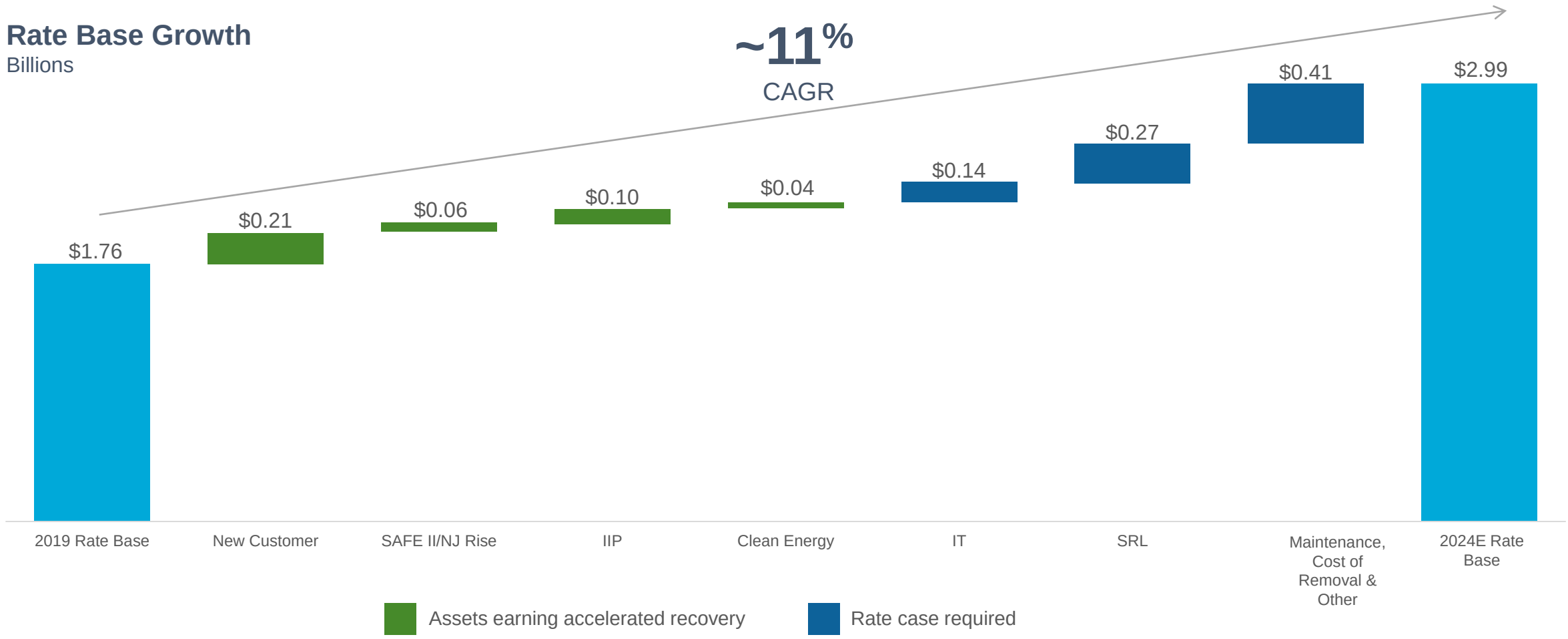
($ millions)	Amount	Percent	Embedded Cost	Weighted Cost
Long-Term Debt	$1,107.9	43.11%	3.60%	1.55%
Common Equity	$1,462.2	56.89%	10.50%	5.97%
Total	$2,570.1	100.00%		7.53%

1. Excludes ~$300 million investment in SRL, which will be filed as a post-test year adjustment.

New Jersey Resources

Expanding Rate Base Through FY2024

Infrastructure Investment Driving Growth

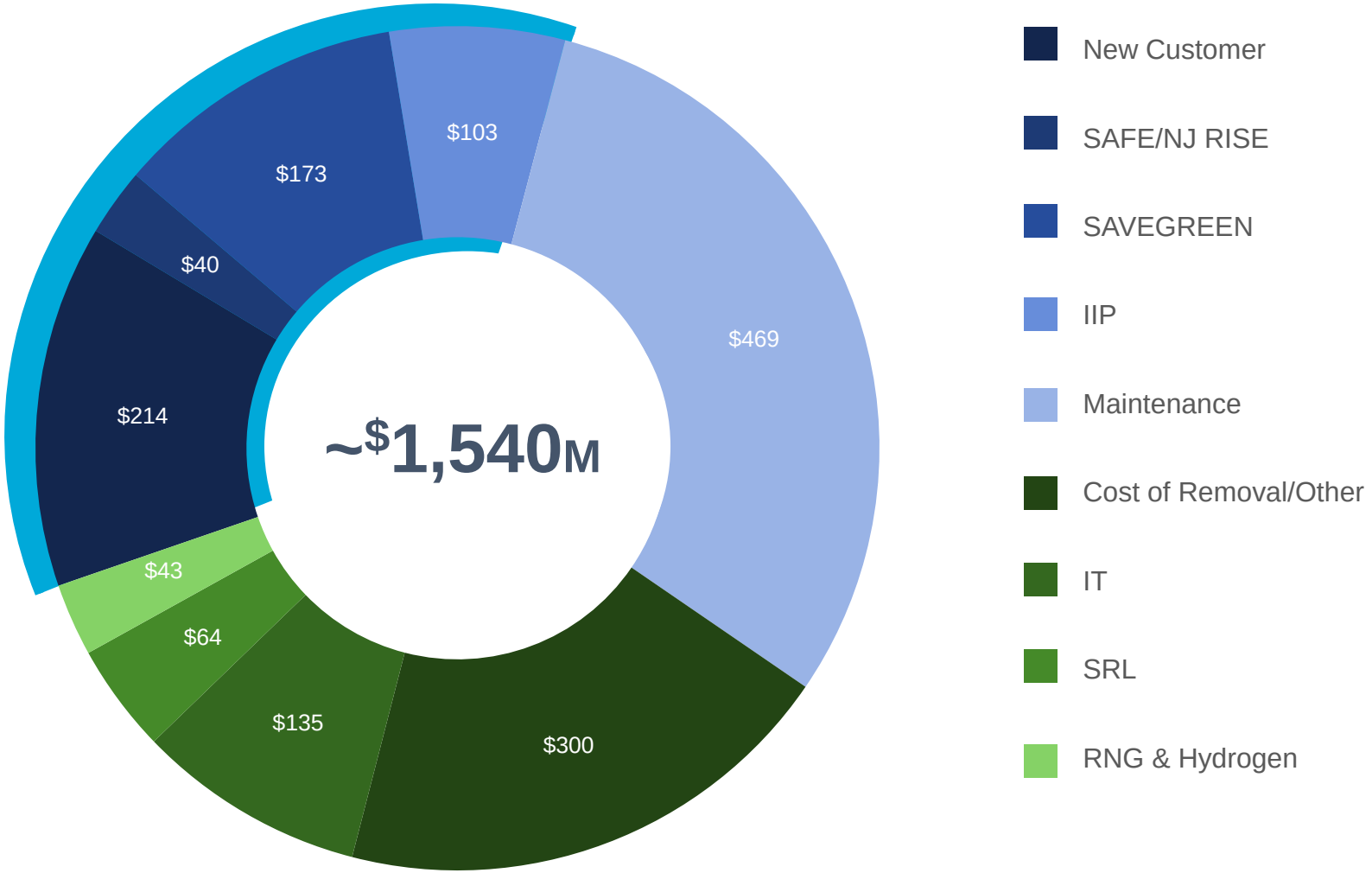


New Jersey Resources

Capital Plan Leading to Double Digit Rate Base CAGR

FY2021-FY2024 CapEx
Millions

~34%
of CapEx expected to earn an accelerated recovery



New Jersey Resources

SAVEGREEN Provides Energy Efficiency and Earns Return for NJNG

Most successful residential energy-efficiency programs in N.J.

Conducts home energy audits and provides various grants, incentives and financing alternatives designed to encourage installation of high-efficiency heating and cooling equipment

- Since 2009, more than $212 million invested through rebates and on-bill repayment programs
- ~62,000 customers reduced usage and saved money and more than $550 million generated in economic activity

THE SAVEGREEN PROJECT®

SAVEGREEN 2020

NJNG received approval for its new $259 million program in compliance with the Clean Energy Act
The process specifies that implementation will begin on July 1, 2021

- **Residential:** Rebates and incentives for qualifying equipment replacement and comprehensive home energy measures and On-Bill Repayment Programs
- **Multi-family:** Assessments; installation of energy savings measures; equipment replacement; custom retrofits
- **Commercial & Industrial:** Energy-efficient equipment, whole-building energy improvements, retro-commissioning and energy management efforts
- **Expanded Incentives:** For low-to-moderate income customers

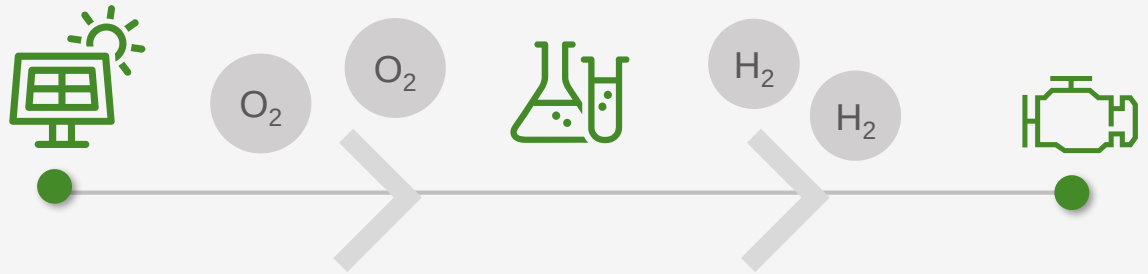


Development of Alternative Fuels Presents Opportunities

Hydrogen has been safely injected into local distribution company pipeline systems in Europe

SoCalGas and the University of California use excess midday solar-generated hydrogen to provide campus power

NJNG's Power-to-Gas Project



Surplus Renewable Electricity

Power Electrolysis

Creates Renewable Hydrogen Gas

Stored in Pipeline System for Later Use

Technical potential of annual RNG production in U.S. is almost

90%

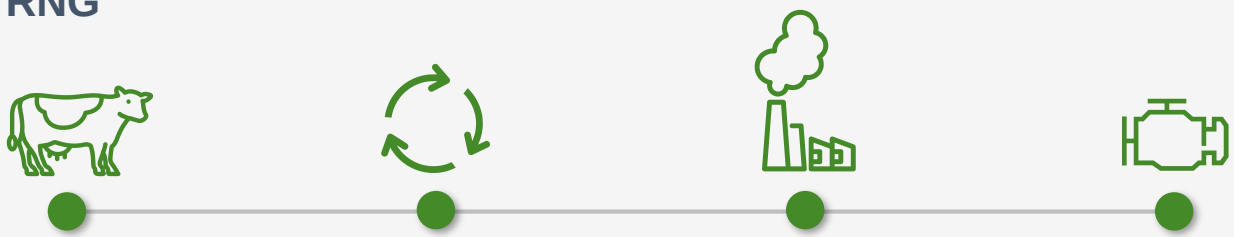
of total U.S. annual gas consumption today[1]

By 2050 N.J. could supply up to

50%

of its residential and commercial needs with RNG produced from in-state resources[2]

RNG



Capture waste from dairies, farms and landfills

Convert into biogas using anaerobic digestion

Process the biogas to make it pipeline ready (biomethane)

Stored in pipeline system for later use

1. Source: Renewable Sources of Natural Gas Supply, American Gas Foundation, December 2019
2. Source ICF, Reaching New Jersey's Climate Chance Objectives, An Evaluation of the Costs and Benefits of Alternative Approaches, 2019

An Industry Leader

Named an Environmental Champion

- Sixth time NJNG has been recognized for our dedication to the environment since 2014

Named Easiest to do Business With

- Third consecutive year customers have recognized our commitment to delivering exceptional service

According to the Cogent Syndicated 2021 Utility Trusted Brand & Customer Engagement™: Residential study by Escalent



escalent | 2021 Environmental Champion CUSTOMER CERTIFIED

New Jersey Resources

New Jersey Natural Gas

Strategic infrastructure investments and accelerated recovery mechanisms fueling ~11% rate base CAGR through FY2024

- ~11% rate base CAGR through FY2024
- Attractive service territory
- Constructive regulatory framework
- Stabilized utility gross margin profile
- Incremental return from natural gas supply optimization and energy efficiency investments
- Environmentally sound infrastructure accelerates transition to RNG and hydrogen

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New Jersey Resources

Leading New Jersey's Clean Energy Future

NJR is the Largest Solar Owner-Operator in New Jersey[1]

Commercial

Largest segment of the CEV portfolio

- 49 operational projects throughout N.J. totaling over 276 MWs
- Net metered / grid-connected
- Roof-top, ground mount and floating

Residential

The Sunlight Advantage® continues to succeed in the marketplace

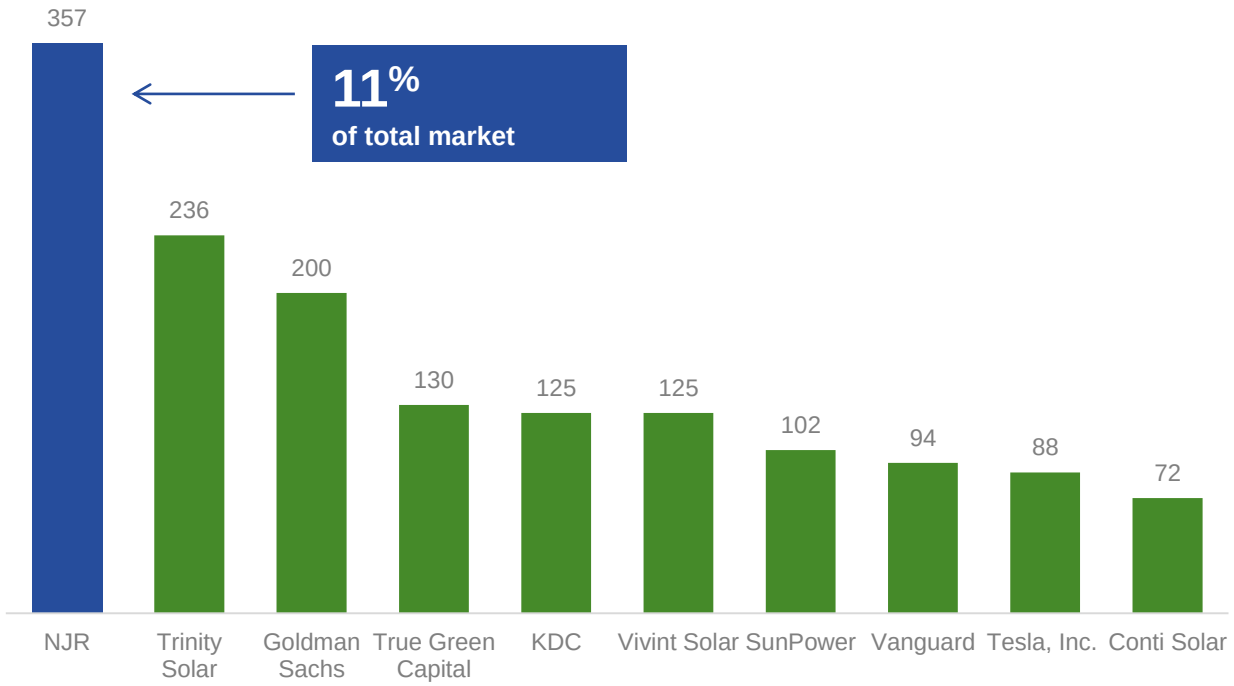
- Over $259 million portfolio of residential leases and commercial PPAs
- Over 8,600 customers

Solar lease offering

- CEV owns, operates and maintains system for 20 years
- Homeowner benefits from savings of 20-33% over current electric utility rates

Portfolio of Over 350MW of Installed Capacity, With 11% Market Share in N.J.[1]

Total MW (owned or developed)

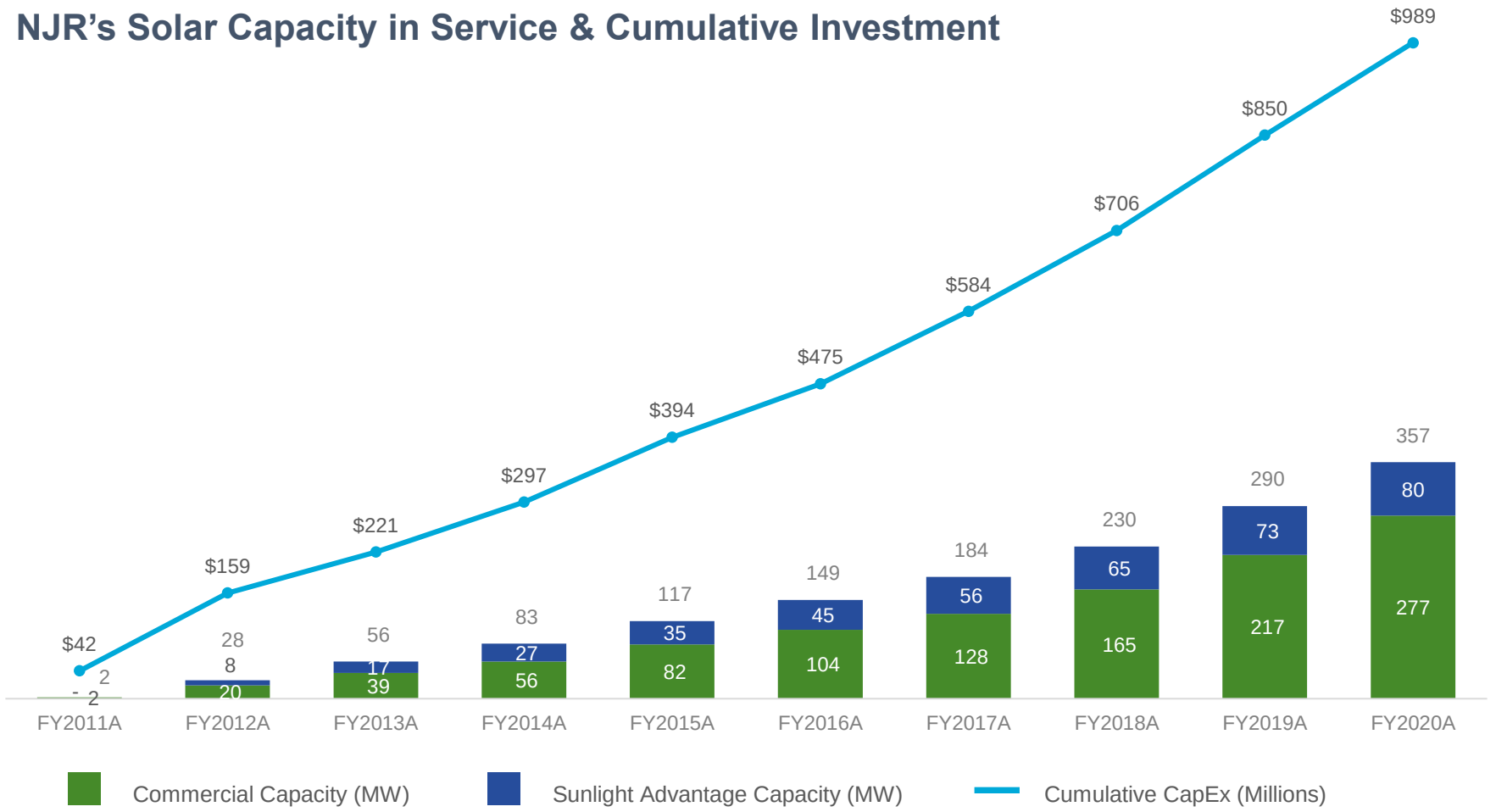


1. As of September 30, 2020; excludes electric utilities that include solar investments in rate base

Long Track Record of Investing in N.J. Solar Market

~$1B

of investment to date with unlevered returns in the high single digits

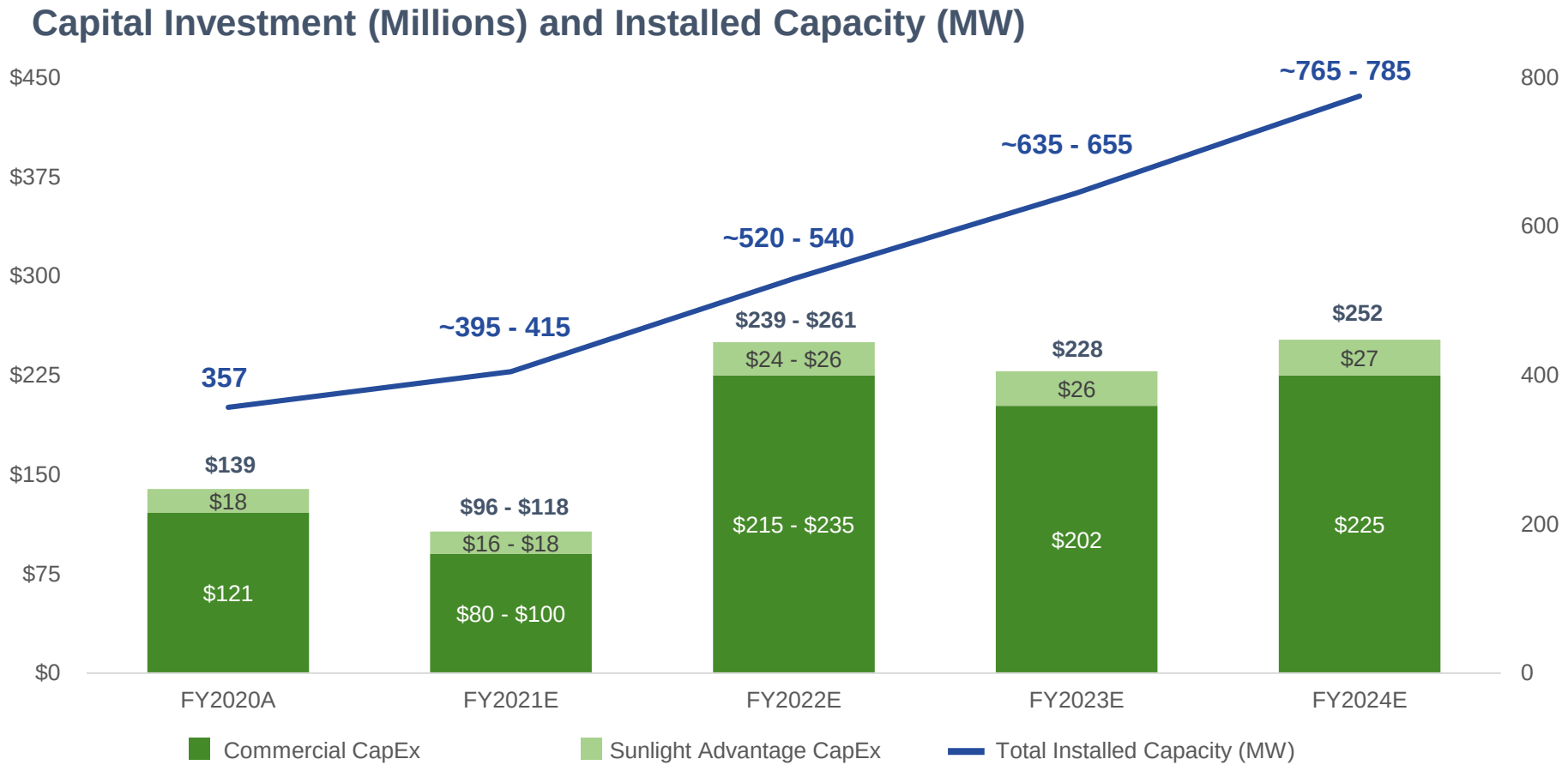


New Jersey Resources

Significant Investment in Solar Will Continue to Drive Growth Across NJR …

~$850M

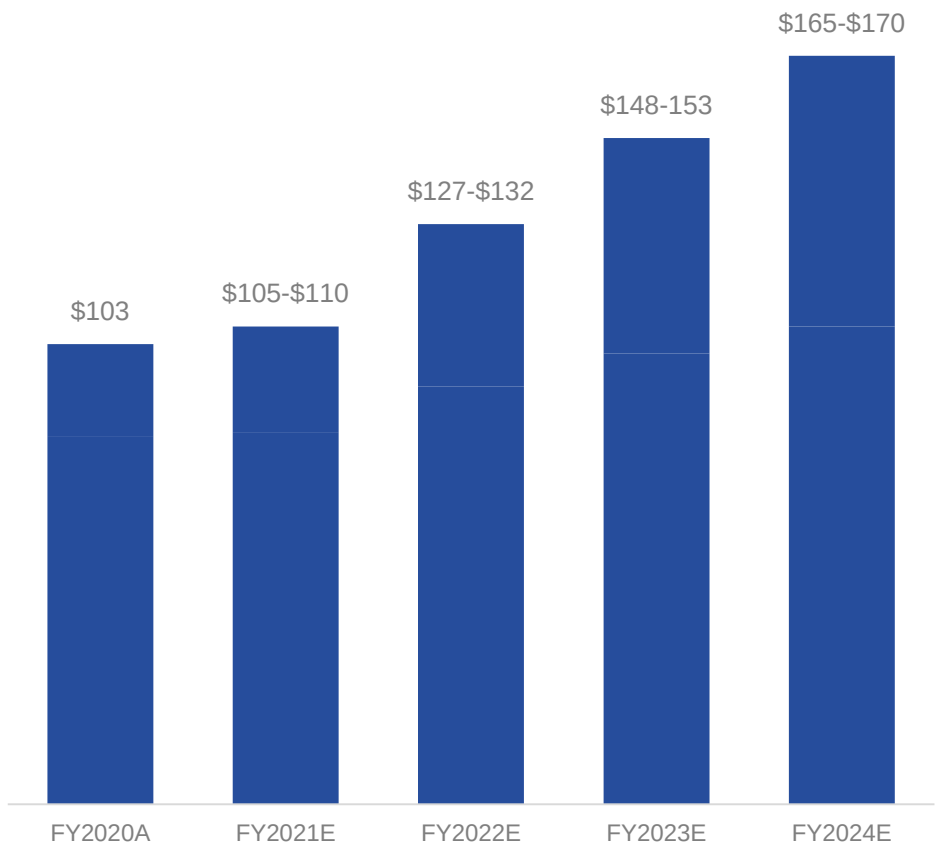
investment in solar over the next 4 years



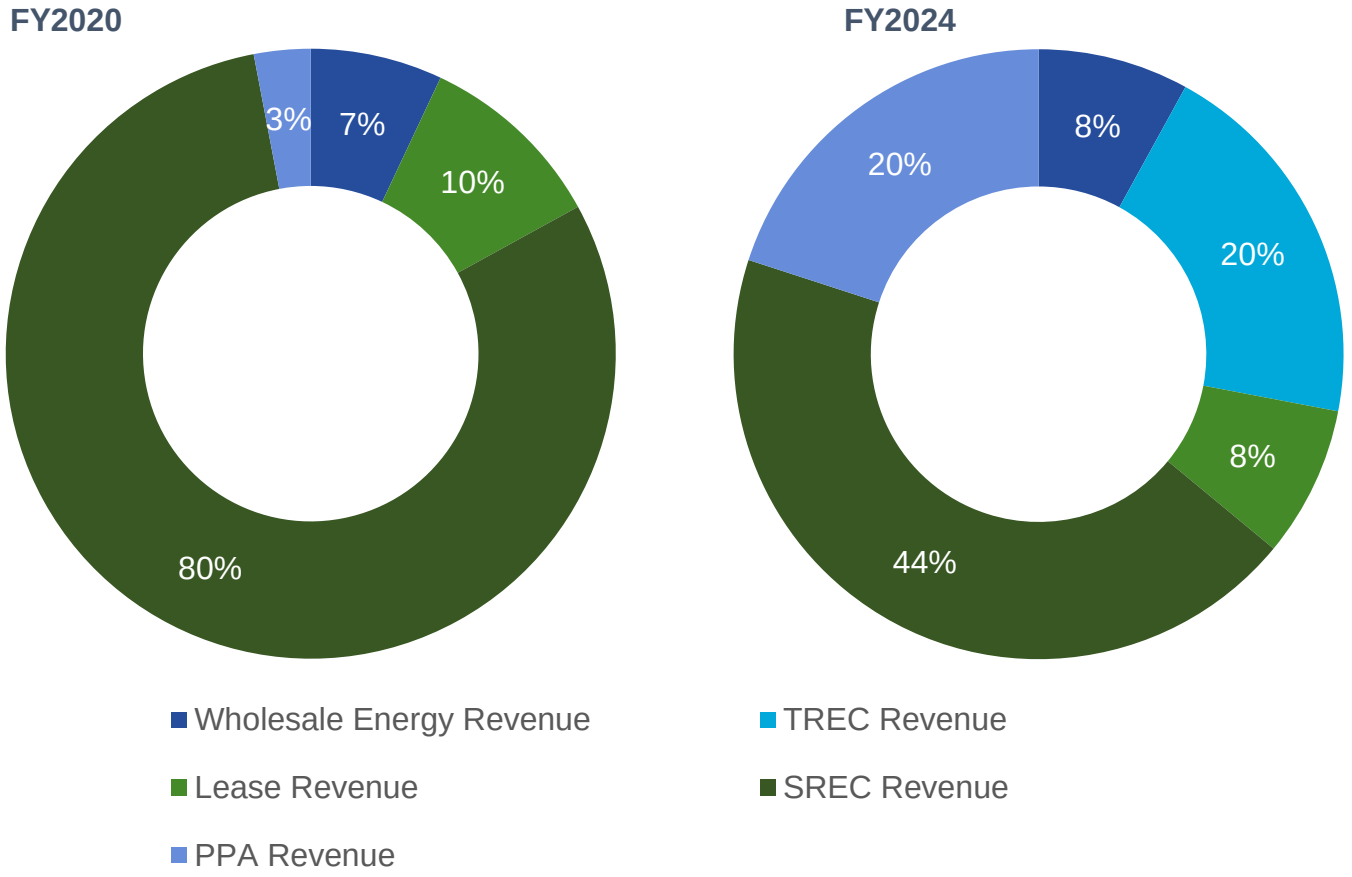
New Jersey Resources

…Growing Solar Revenues by ~60% Through FY2024

Solar Revenues
Millions



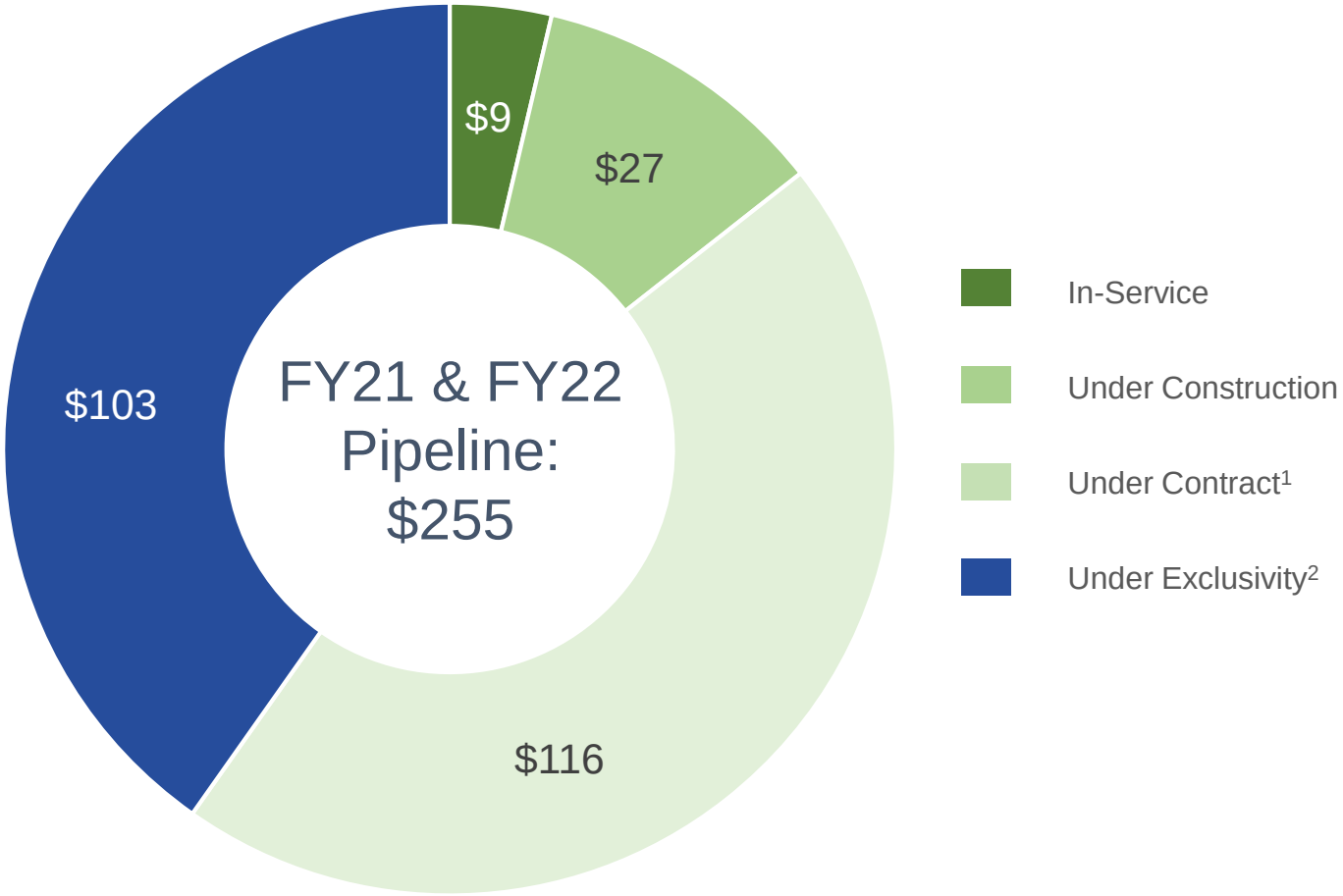
Expected Evolution of Revenue Composition



New Jersey Resources

CEV Commercial Project Pipeline

- Represents over 80% of targeted CAPEX for fiscal 2021 and 2022
- ~1/3 of pipeline capacity is expected to be out-of-state
- For NJ projects, average factor is ~0.9 TREC/kwh[3]



($ millions)

[1] *Signed Asset Purchase Agreement or Master Interest Purchase Agreement.*

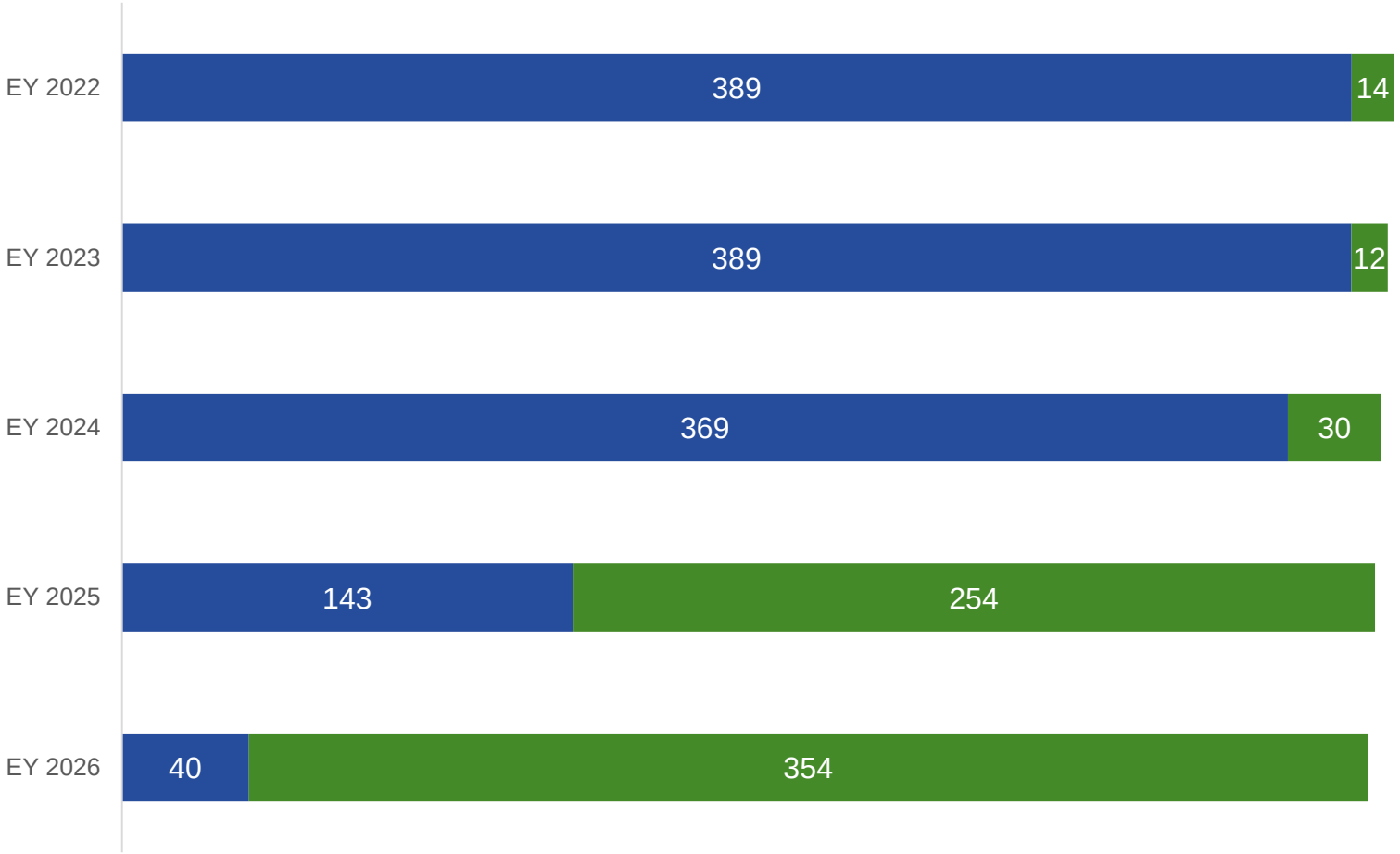
[2] *Signed Letter of Intent granting Clean Energy Ventures exclusivity to finalize due diligence and formal agreements.*

[3] *For more information on TREC factors, please see our factsheet titled "TREC Fact Sheet" on the NJR Investor Relations website.*

New Jersey Resources

NJR CEV – SREC Hedging Strategy Stabilizes Revenue

As of April 21, 2021



Percent Hedged	Average Price	Current Price (EY)
97%	$200	$233

Percent Hedged	Average Price	Current Price (EY)
97%	$202	$218

Percent Hedged	Average Price	Current Price (EY)
93%	$196	$203

Percent Hedged	Average Price	Current Price (EY)
36%	$183	$185

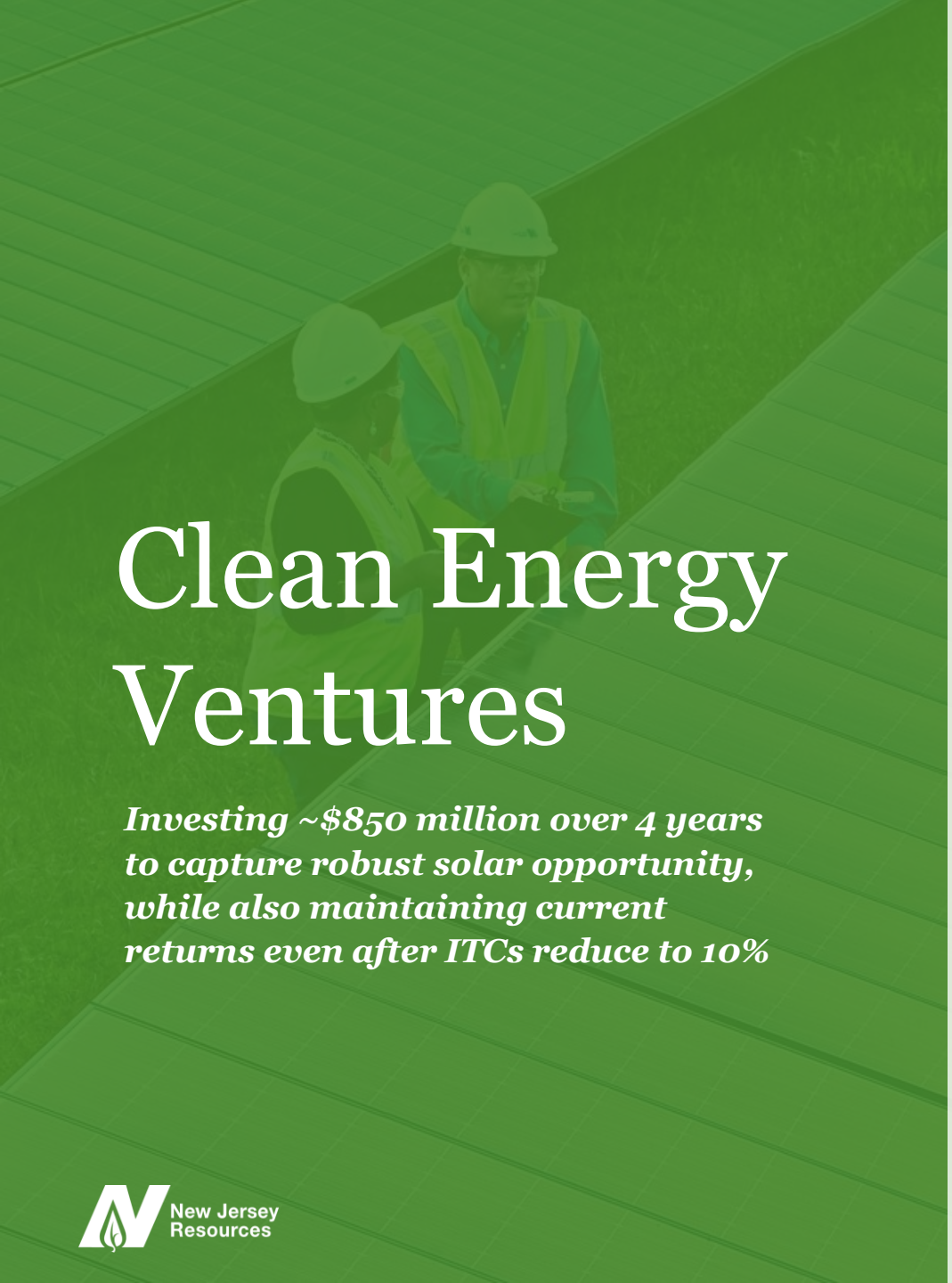
Percent Hedged	Average Price	Current Price (EY)
10%	$165	$168

Note: Energy Years run from June 1st of the prior year to May 30th of the respective year; for example, Energy Year 2022 begins on June 1, 2021 and ends on May 30, 2022.

New Jersey Resources

Four Strategic Pillars to Accelerate Profitable Growth

1 Expand Into Other Markets	Advance partnerships and new business development outside of New Jersey
2 Optimize and In-Source	Optimize performance of existing solar portfolio Drive down development, operating and capital costs to maximize returns
3 Prioritize Tax Equity Financing	Prioritize tax equity financing to allow for higher investment
4 Invest In & Adopt New Technologies	Introduce new technologies (i.e. batteries and EV charging stations) to provide additional return



Clean Energy Ventures

Investing ~$850 million over 4 years to capture robust solar opportunity, while also maintaining current returns even after ITCs reduce to 10%

- Significantly increasing investment in solar
- Expanding footprint beyond NJ
- Optimizing and in-sourcing
- Aligning investment with public policy
- Prioritizing tax equity financing and maintaining current returns after ITCs reduce to 10%

New Jersey Resources

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New Jersey Resources

Strong Growth Outlook Across Projects…

- **Strong Adjusted EBITDA profile** supported by long-term capacity commitments with highly rated entities
- **Mitigating Adelphia Gateway's execution risk** as it is currently under construction
- Significant growth with **completion of Adelphia Gateway's South Zone expected in early FY2022**
- **No reliance on PennEast** completion to achieve growth objectives

S&T Adjusted EBITDA[1]
Millions



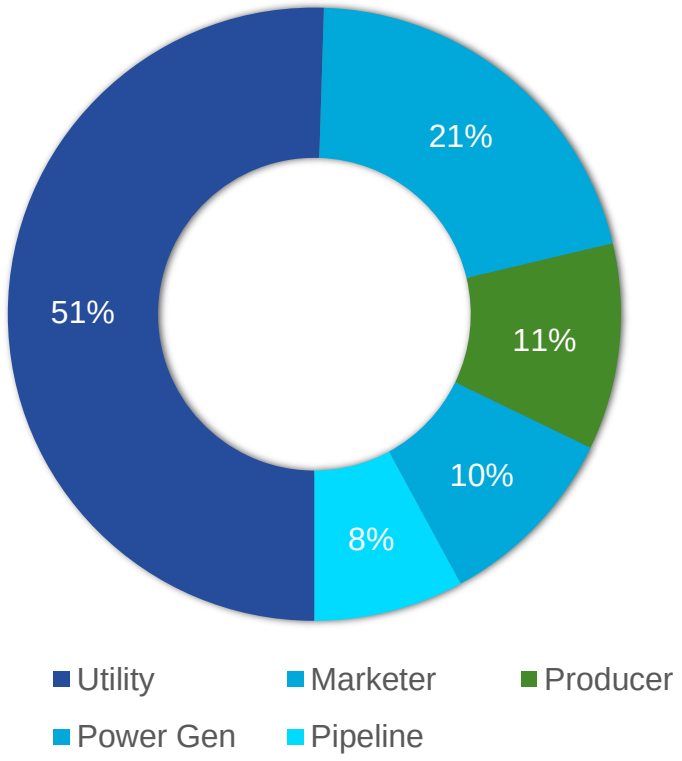
Incremental revenues from organic expansion and potential increase in value of services

1. Adjusted EBITDA is earnings, including equity in earnings of affiliates, before interest, income taxes, depreciation and amortization, and excluding non-cash earnings of AFUDC from our wholly owned subsidiaries Leaf River and Adelphia Gateway. Forecasted adjusted EBITDA excludes equity in earnings from PennEast. A reconciliation of adjusted EBITDA to net income can be found in the Appendix

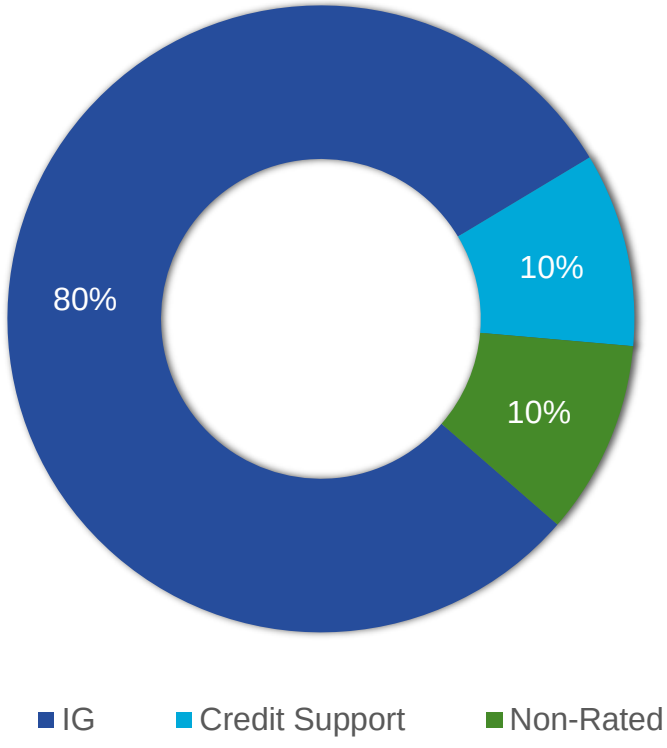
New Jersey Resources

…Underpinned by Stable Customer Base with High Quality Credit Profiles Producing Stable Fee-Based Revenue

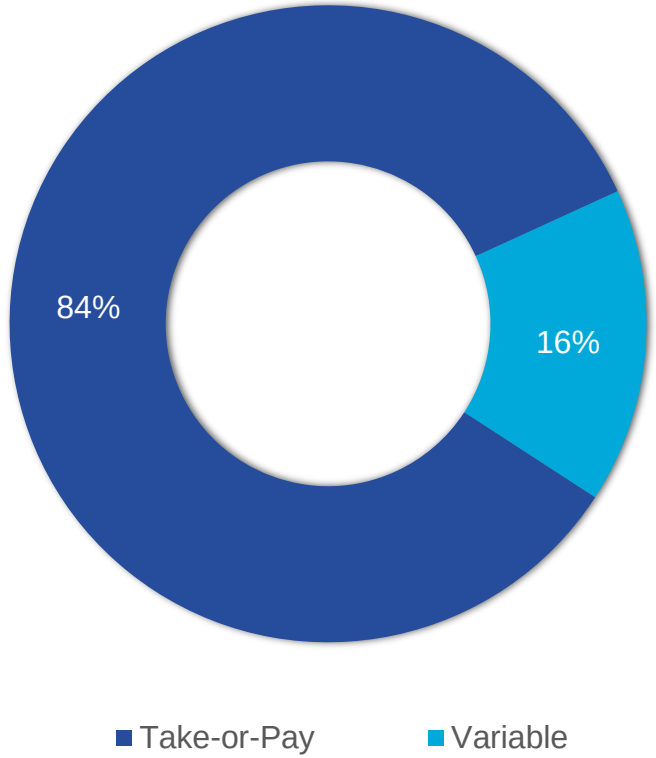
FY2020 Revenue by Customer Type



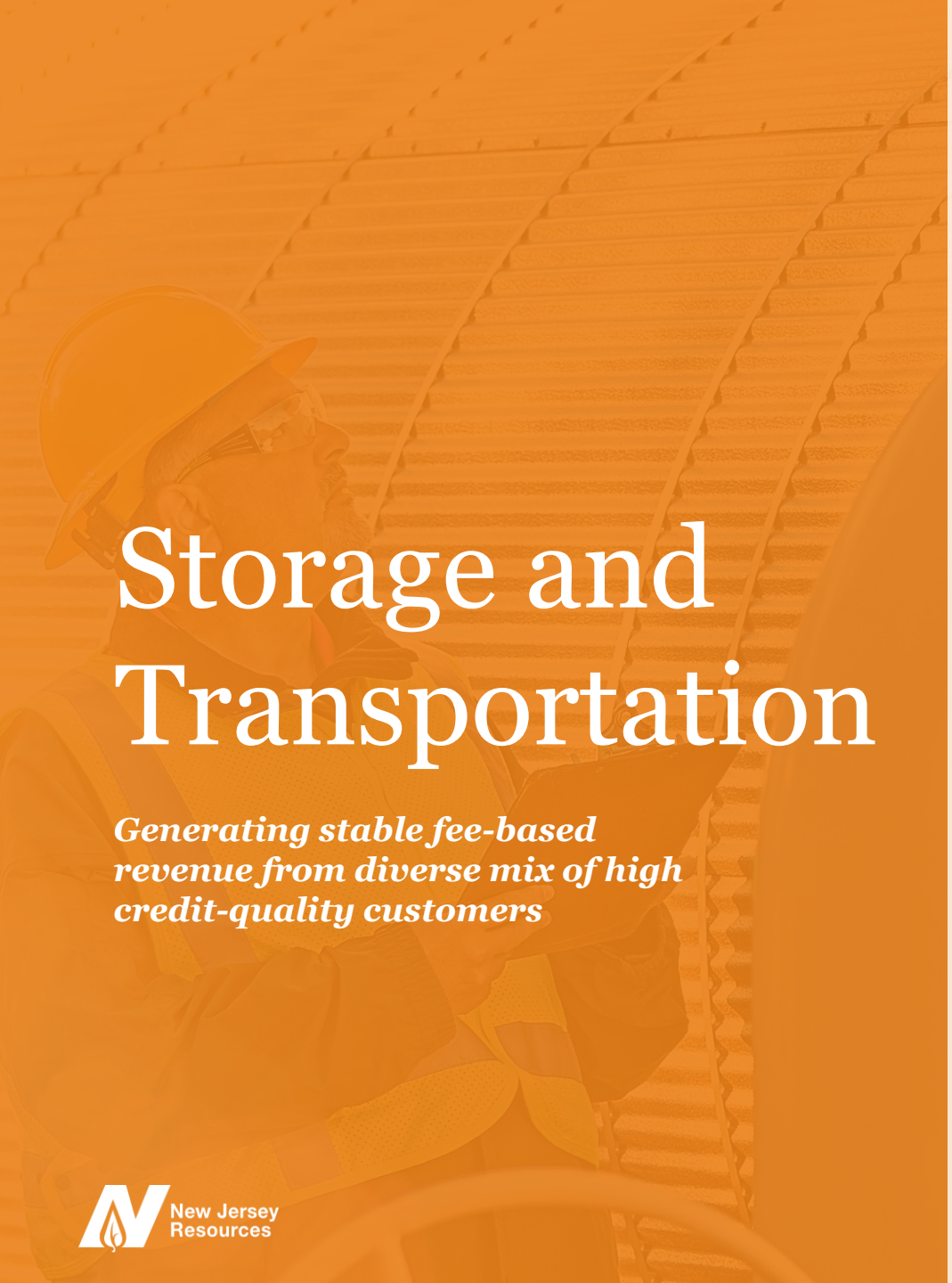
FY2020 Revenue by Credit Quality



FY2020 Revenue by Fee Type



New Jersey Resources



Storage and Transportation

Generating stable fee-based revenue from diverse mix of high credit-quality customers

- Stable fee-based revenue from diverse mix of high credit-quality customers
- Portfolio of low-risk natural gas infrastructure investments that are difficult to replicate
- Serving constrained physical end-use markets
- Attractive organic expansion opportunities

New Jersey Resources

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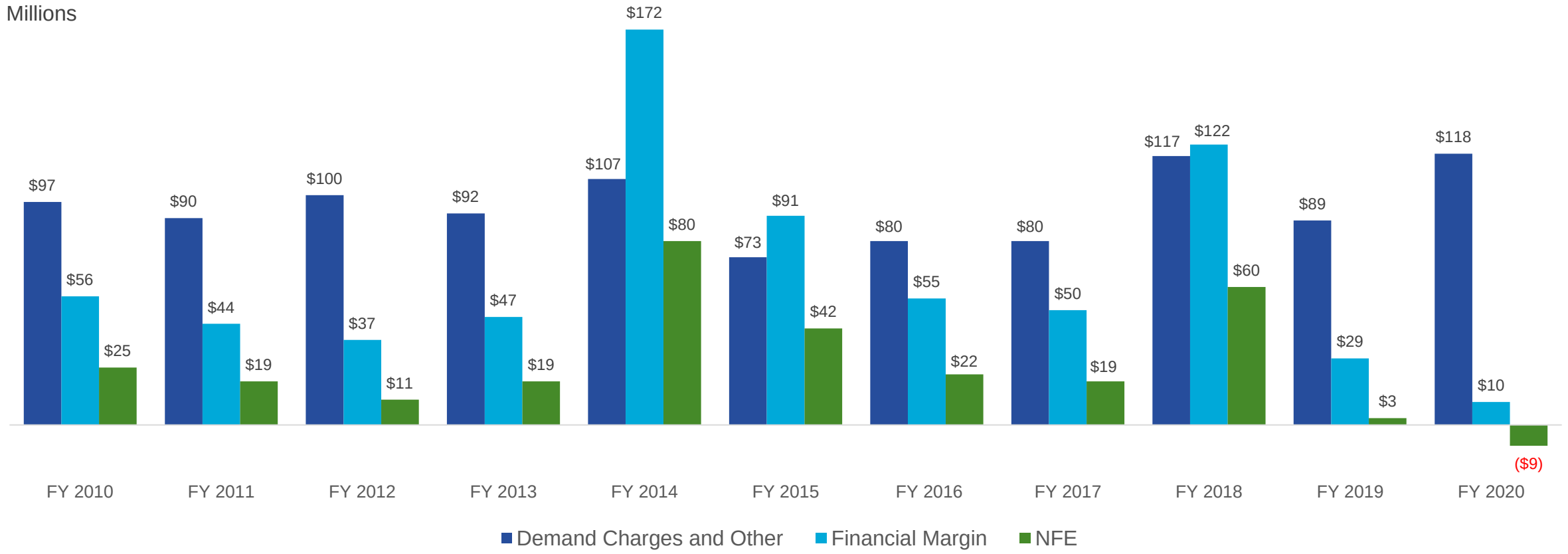
New Jersey Resources

Proven Track Record of Success

Consistent Profitability Since 1995 with Strong Financial Margins and NFE; Able to Cover Physical Asset Demand Charges Even During Extremely Unfavorable Market Conditions (FY2020)

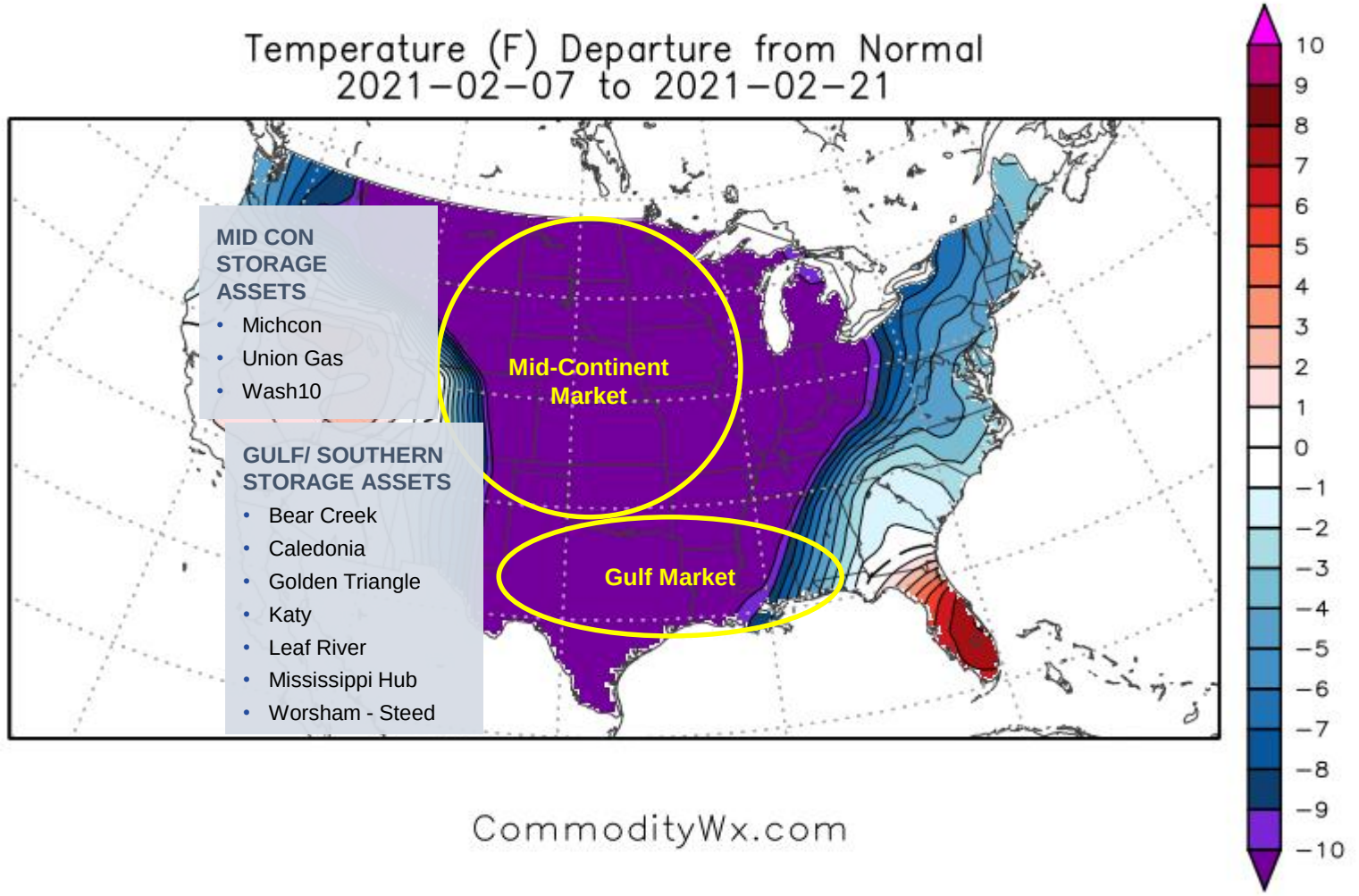


New Jersey Resources

Note: Based on an annual Net Financial Earnings basis
A reconciliation of Financial Margin to Operating income can be found in the Appendix on slide 47

NJRES – Takeaways from February Weather Event

- Significant upside from opportunistic storage sales
- In February, the affected regions experienced unprecedented “peak day pricing” for natural gas
- NJRES capitalized by making “asset specific” sales – counterparties agreed to buy our storage gas at hubs with relatively high trading liquidity



AMAs with Utility De-Risks Business and Drives Value

Overview	**10-Year Asset Management Agreements (AMAs)** • Entered into AMAs to release certain natural gas transportation contracts of Energy Services for aggregate cash proceeds of approximately $500 million payable over 10 years (~$260 million through FY2024; $240 million after FY2024) • Includes a series of initial and permanent releases commencing in November 2021 • Counterparty will provide certain asset management services and Energy Services may deliver natural gas to the investment grade utility
Benefits	• Monetizes value of certain contracts in Energy Services' portfolio • De-risks Energy Services business by securing 10 years of contracted cash payments with minimal counterparty credit risk
Financial Impacts	• Cash proceeds provide flexibility to reinvest in core businesses, reduce future debt issuances and support shareholder distributions • Improves credit metrics allowing NJR to cash settle the equity forward put in place in connection with our December 2019 equity issuance* • **FY 2022 NFE expected to increase by $0.15 per share**

** In December 2019, NJR issued 5.3 million shares and entered into an equity forward to issue an additional 1.2 million shares at a later date.*

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**

** NFE impact of AMAs will be net of demand charges, taxes, compensation and other O&M*

New Jersey Resources



Energy Services

Pursuing more fee-based transactions that would better ensure coverage of fixed costs

- Connected assets in opportunistic locations
- Strong customer relationships
- Proven track-record and risk management strategies
- Pursuing higher fee-based earnings: announced 10-year AMAs for aggregate proceeds of ~$500 million
- Long option strategy provides significant upside potential with limited downside risk – it allowed for an increase to FY 2021 NFEPS guidance

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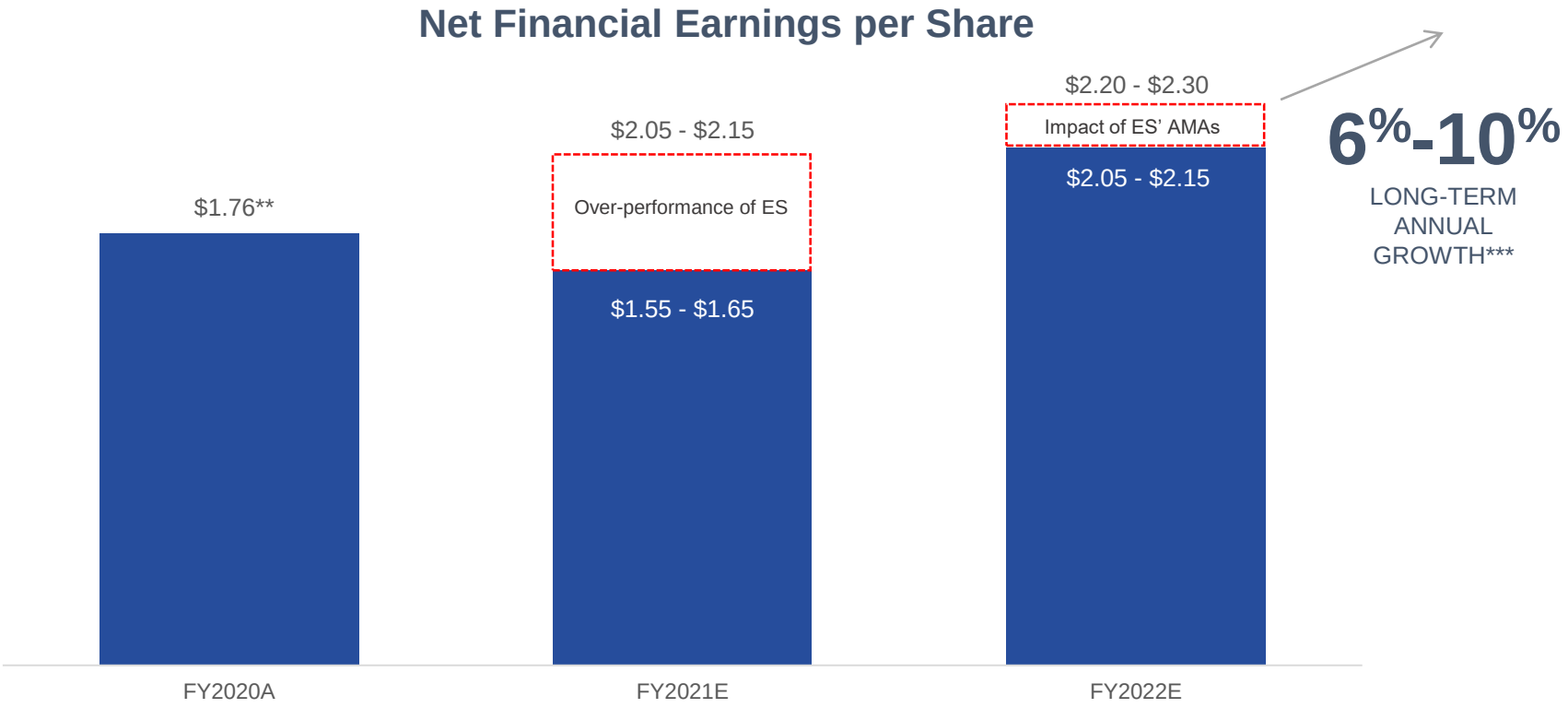
Fiscal 2021 and 2022 NFEPS Guidance

*Increased FY 2021 NFEPS Guidance to $2.05 - $2.15**

	FY 2021E	FY 2022E
NJNG	51%-55%	60%-65%
CEV	9%-14%	20%-25%
S&T	6%-10%	8%-10%
ES	25%-30%	4%-9%
HS & Other	0%-2%	0%-2%
NFEPS	**$2.05-$2.15**	**$2.20-$2.30**



** NJR updated guidance on May 6, 2021 and such guidance and related statements are not being updated in this presentation.*
*** Excludes pro forma impact of accounting change of $.31.*
**** Based on original 2022 guidance of $2.05 to $2.15; excludes contributions from PennEast and Energy Services (AMAs and regular business).*

New Jersey Resources

Selected Investments

	Southern Reliability Link (SRL)	Accelerated Recovery Mechanisms	SAVEGREEN
What	• 30-mile high-pressure pipeline designed to diversify natural gas supply • Delivery of 180,000 Dths/day • Total investment of ~$300 million	• SAFE II - Enables NJNG to completely remove unprotected steel main from the system • NJ RISE – Projects designed to improve resiliency through secondary feeds and excess flow valves • IIP - Resiliency and reliability investments	• Most successful residential energy-efficiency program in N.J. • Since 2009, more than $212 million invested through rebates and on-bill repayment • SAVEGREEN 2020, a new $259 million program in compliance with Clean Energy Act
Why	• Reliability, redundancy, resiliency • Currently 95% of natural gas supply for Monmouth and Ocean Counties comes from TETCO • A significant number of customers in Ocean and Monmouth counties would be affected by a system failure, depending on severity and duration	• Elimination of highest risk pipe from the system • Reduces fugitive emissions and improves safety • Reliability, redundancy, resiliency • Improves pressure flows and eliminates certain system bottlenecks	• ~62,000 customers reduced usage and saved money and more than $550 million generated in economic activity • Conducts home energy audits and provides grants, incentives and financing alternatives designed to encourage installation of high-efficiency HVAC equipment
Status	• Over 97% complete as of March 31, 2021	• SAFE II and NJ RISE will complete work in near future • IIP approved October 28, 2020, $150M over five years	• Program has been ongoing since 2009 • SAVEGREEN 2020 programs approved in March 2021 with implementation starting July 1, 2021
In-Service	• Expected in-service date: Fiscal 2021 • In-service date triggers filing of a new rate case to recover costs associated with construction	• Various dates over the next 5-6 years	• Existing program in-service over various dates • SAVEGREEN 2020 implementation beginning July 1, 2021

New Jersey Resources

NJR Capital Plan*

(Millions)

		FYTD 2021A	FY2021E	FY2022E	Near Real Time Return?
New Jersey Natural Gas	New Customer	$24	$52 - $54	$56 - $59	Yes
	Maintenance & Integrity	$47	$92 - $95	$142 - $150	
	SAFE II/ NJ RISE	$17	$28 - $32	-	Yes
	IIP	$1	$6 - $7	$10 - $11	Yes
	SRL	$63	$100 - $110	-	
	IT	$1	$15 - $18	$58 - $62	
	RNG & P2G	-	$5 - $7	$28 - $31	
	Cost of Removal/ Other	$36	$126 - $131	$61 - $65	
	SAVEGREEN	$9	$37 - $38	$44 - $46	Yes
		$198	**$461 - $492**	**$399 - $424**	
Clean Energy Ventures	Sunlight Advantage	$5	$16 - $18	$24 - $26	
	Commercial Solar	$33	$80 - $100	$215 - $235	
		$38	**$96 - $118**	**$239 - $261**	
Storage and Transportation	Adelphia Gateway	$27	$110 - $130	$25 - $35	
	Leaf River	$3	$22 - $23	$10 - $11	
		$30	**$132 - $153**	**$35 - $46**	
Grand Total		**$266**	**$689 - $763**	**$673 - $731**	

** 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

(Millions)

		FY2020A	FY2021E	FY2022E	FY2023E & FY2024E
Cash Flow from Operations		**$213**	**$320 - $340**	**$385 - $410**	**$915 - $965**
Uses of Funds	Capital Expenditures*	$470	$639 - $698	$610 - $661	$1,055 - $1,166
	Acquisition - S&T Assets	$534			
	Dividends	$118	$127 - $132	$135 - $140	$308 - $319
	Total Uses of Funds	**$1,122**	**$766 - $830**	**$745 - $801**	**$1,363 - $1,485**
Financing Activities	Common Stock Proceeds - Issuance	$231			
	Common Stock Proceeds - DRIP		$16 - $18	$17 - $19	$38 - $42
	Debt Proceeds/Other	$678	$430 - $472	$343 - $372	$410 - $478
	Total Financing Activities	**$909**	**$446 - $490**	**$360 - $391**	**$448 - $520**

** Excludes SAVEGREEN investments, which are included in Cash Flow from Operations*

New Jersey Resources

Impact of Change in Accounting Policy for ITCs

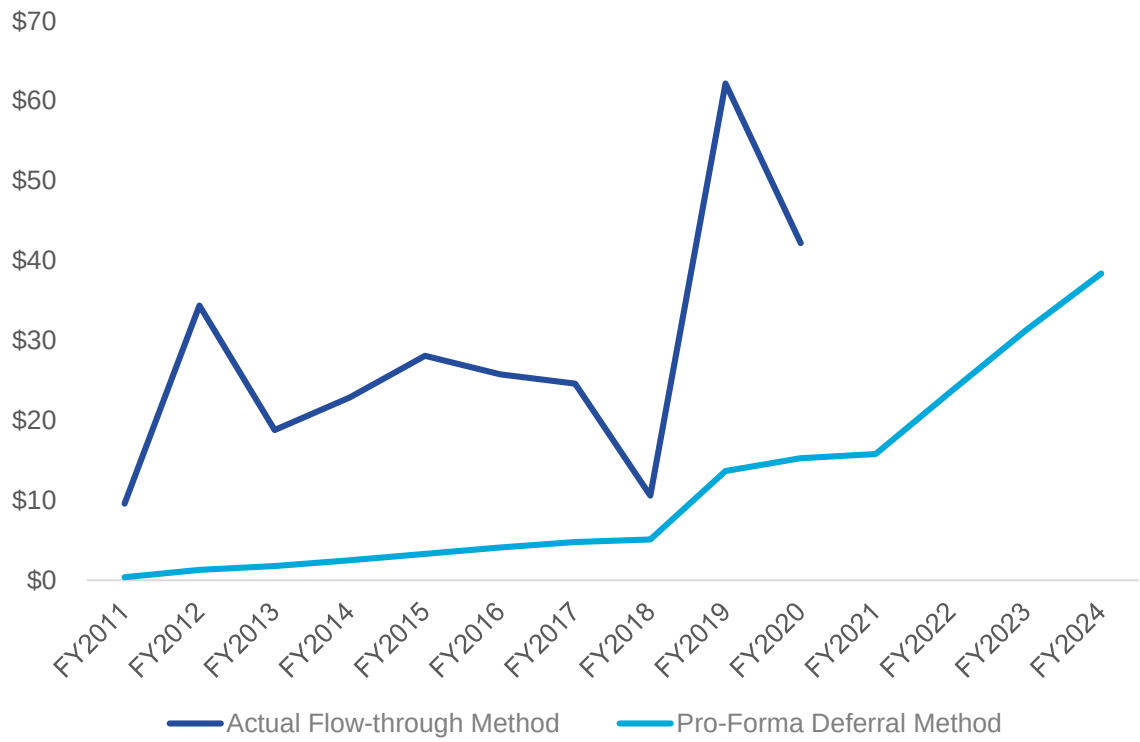
Deferral Method Results in More Stable, Predictable NFE

	Flow-through Method	Deferral Method *Preferred methodology*	Tax Equity Under Any Method
ITC NFE Impact	Immediate recognition to NFE	ITC amortized over life of the project	ITC recognized over the recapture period (5 years)
ITC Cash Flow Impact	Realized when there is tax liability to offset	Realized when there is tax liability to offset	Cashflow realized over 5 to 7 years as reduction in debt extended by tax equity provider

	2021	2022	2023	2024
Statutory ITC rate	22%	10%	10%	10%
Expected Safe-Harbored ITC rate	26%	26%	22%	22%

Deferral Method Accounting will Reduce Annual and Quarterly NFE Volatility

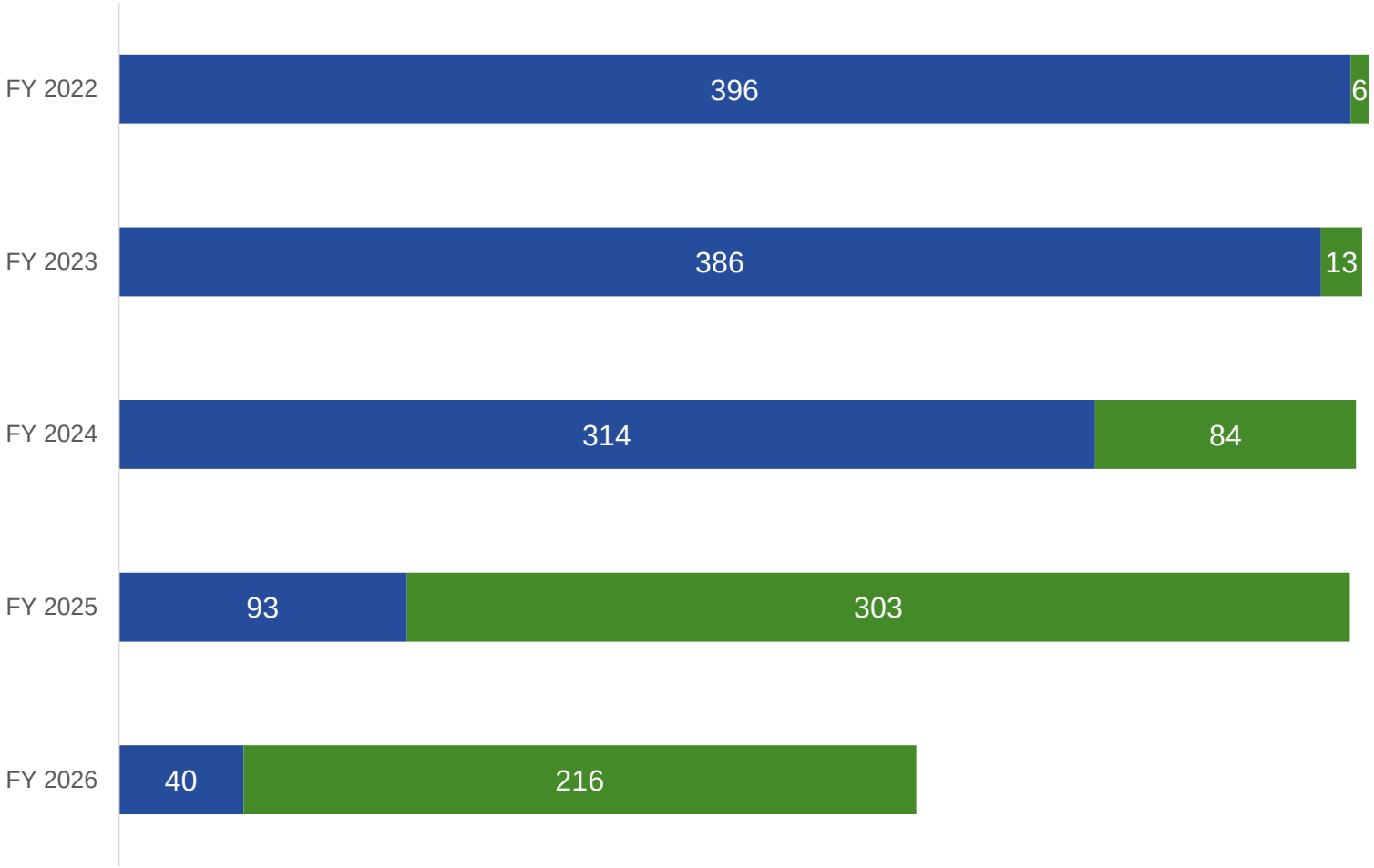
Millions



New Jersey Resources

NJR CEV – SREC Hedging by Fiscal Year

As of April 21, 2021



Percent Hedged	Average Price	Current Price (FY)
99%	$202	$228

Percent Hedged	Average Price	Current Price (FY)
97%	$201	$213

Percent Hedged	Average Price	Current Price (FY)
79%	$193	$197

Percent Hedged	Average Price	Current Price (FY)
23%	$183	$179

Percent Hedged	Average Price	Current Price (EY)
16%	$165	$168

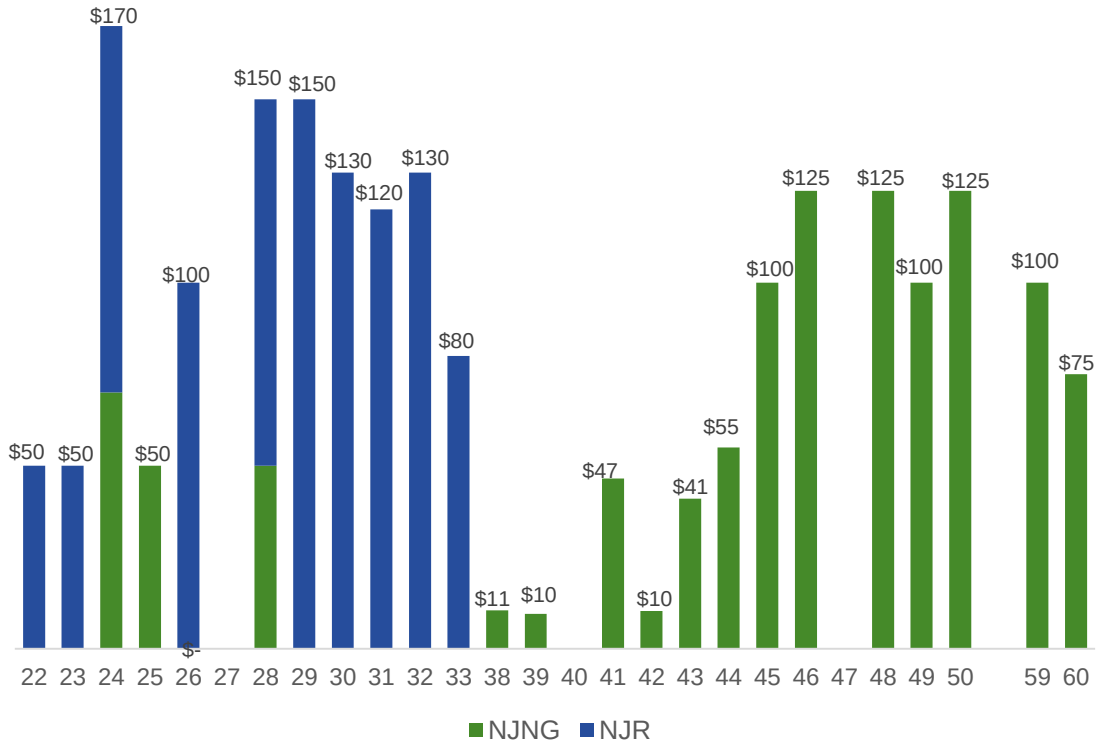
New Jersey Resources

Liquidity and Term Debt Maturity Schedule

- Manageable debt repayment schedule with no significant maturity towers in any particular year
- Substantial liquidity available for both NJNG and NJR

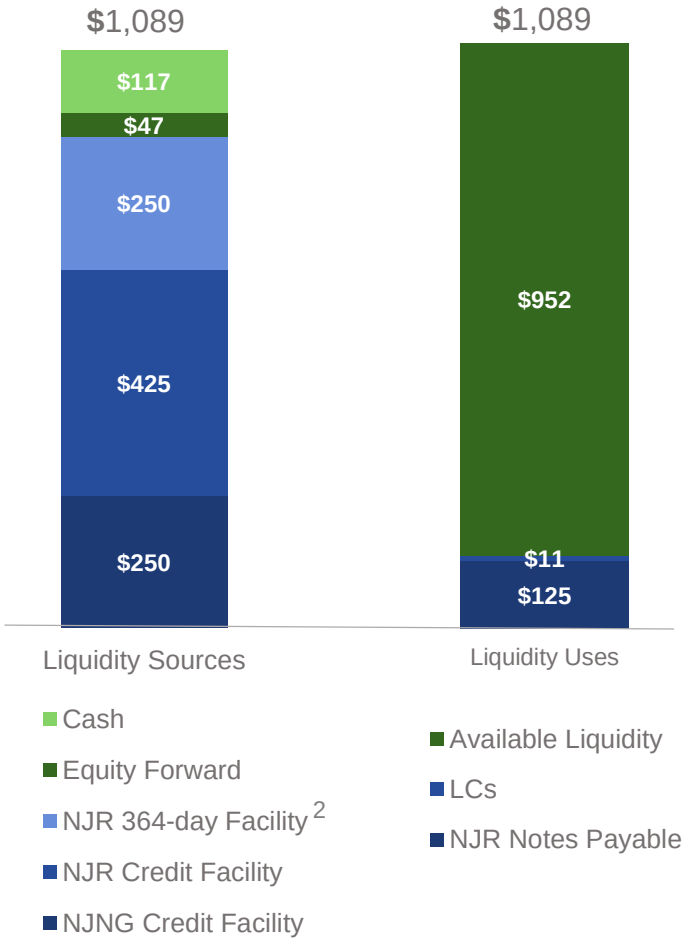
Term Debt Maturity Schedule

as of September 30, 2020, Millions[1]



Available Liquidity

as of September 30, 2020, Millions



1. Term debt only (excludes capital leases and solar asset financing obligations). Grouped by fiscal years.
2. Expired in October 2020

Second Quarter NFE by Business Unit

(Thousands)

	Three Months Ended March 31			Six Months Ended March 31		
	2021	2020	Change	2021	2020	Change
New Jersey Natural Gas	$80,541	$86,336	($5,795)	$130,008	$130,192	(184)
Clean Energy Ventures	(8,872)	(8,829)	(43)	(19,146)	(17,008)	(2,138)
Storage and Transportation	4,711	4,258	453	8,219	7,262	957
Energy Services	96,528	2,487	94,041	98,028	(2,635)	100,663
Home Services & Other	(2,304)	39	(2,343)	(1,848)	1,411	(3,259)
Total	**$170,604**	**$84,291**	**$86,313**	**$215,261**	**$119,222**	**$96,039**
NFEPS	**$1.77**	**$0.88**	**$0.89**	**$2.24**	**$1.27**	**$0.96**

New Jersey Resources

Reconciliation of NFE and NFEPS to Net Income for Fiscal 2Q21

- NFE is a measure of earnings based on eliminating timing differences surrounding the recognition of certain gains and losses, 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 2Q21

(Millions)

Net Income	**$149.8**
Add Back	
Unrealized gain on derivative instruments and related transactions	29.3
Tax effect	(7.0)
Effects of economic hedging related to natural gas inventory	(7.2)
Tax effect	1.7
Net income to NFE tax adjustment	4.0
Net Financial Earnings	**$170.6**
Weighted Average Shares Outstanding	
Basic	96.2
Diluted	96.6
Basic Earnings Per Share	$1.56
Add Back	
Unrealized gain on derivative instruments and related transactions	0.30
Tax effect	(0.08)
Effects of economic hedging related to natural gas inventory	(0.07)
Tax effect	0.02
Net income to NFE tax adjustment	0.04
Basic Net Financial Earnings Per Share	**$1.77**

New Jersey Resources

Reconciliation of S&T's Adjusted EBITDA to Net Income for FY2020

- Adjusted EBITDA is earnings, including equity in earnings of affiliates, before interest, income taxes, depreciation and amortization, and Other Income, net, which includes non-cash earnings of AFUDC from our wholly owned subsidiaries Leaf River and Adelphia Gateway

S&T Adjusted EBITDA, FY2020
(Millions)

S&T's Net Income (GAAP)	**$18.3**
Add Back	
Income tax expense	$4.2
Interest expense, net	$13.1
Depreciation and amortization	$9.3
Remove	
Other Income, net (including AFUDC)	($7.3)
Adjusted EBITDA (Non-GAAP)	**$37.6**

Memo	
Less: Equity in earnings from PennEast	($7.4)
Adjusted EBITDA excluding PennEast	$30.2

New Jersey Resources

Reconciliation of Energy Services Financial Margin to Operating Income for FY2020

Energy Services Financial Margin, FY2020
(Millions)

Energy Services Operating (Loss) Income (GAAP)	**($11.7)**
Add Back	
Operation and maintenance	$17.4
Depreciation and amortization	$0.2
Unrealized (gain) loss on derivative instruments and related transactions	($8.6)
Effects of economic hedging related to natural gas inventory	$12.7
Financial Margin	**$9.9**

New Jersey Resources