New Jersey Resources







Fourth Quarter & Fiscal Year 2019 Results

November 19, 2019

Forward-Looking Statements & 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 NFE guidance for fiscal 2020, forecasted contribution of business segments to fiscal 2020 NFE, future NJNG customer and utility gross margin growth, future NJR capital expenditures, infrastructure programs and investments, Clean Energy Ventures' ITC-eligible projects and demand for residential solar, earnings and dividend growth, NJNG's base rate cases, permanent financing plans for Leaf River, as well as the ability to close the Adelphia Gateway transaction and successfully implement the Leaf River acquisition, and construct the Southern Reliability Link and PennEast pipeline projects.

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, http://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, NFE and utility gross 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, operating income or earnings per share.

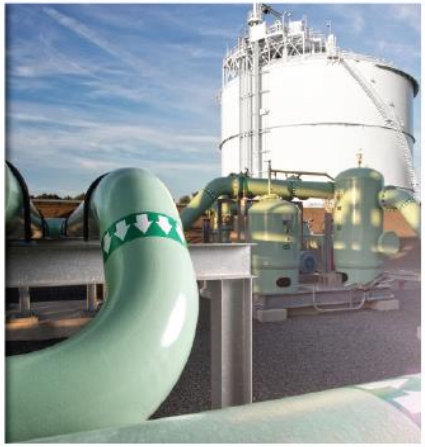
NFE/net financial loss excludes unrealized gains or losses on derivative instruments related to the Company's unregulated subsidiaries and certain realized gains and losses on derivative instruments related to natural gas that has been placed into storage at Energy Services, net of applicable tax adjustments, 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.

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 and utility gross 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 fiscal 2019 earnings guidance, management is aware that there could be differences between reported GAAP earnings and NFE 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. For a full discussion of our non-GAAP financial measures, please see NJR's most recent Form 10-K, Item 7. This information has been provided pursuant to the requirements of SEC Regulation G.

New Jersey Resources







Agenda

- Fiscal 2019 Highlights and 2020 Outlook
  Steve Westhoven
- Financial Review
  Pat Migliaccio
- Q&A

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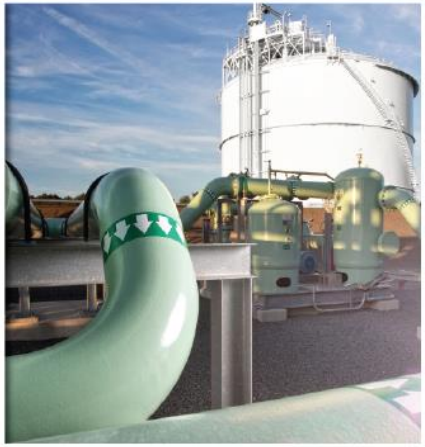




Fiscal 2019 Highlights & 2020 Outlook

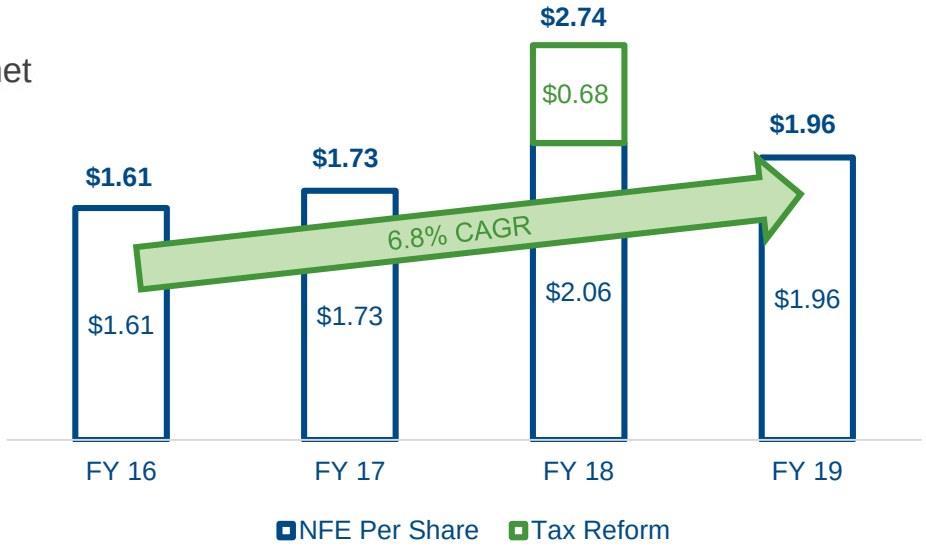
Steve Westhoven
President & Chief Executive Officer

Fiscal 2019 Financial Highlights

Net Financial Earnings

$1.96 — NFEPS* for fiscal 2019 – met guidance range; CAGR of 6.4% from 2017 to 2019

6-8% — Expected long-term NFEPS growth rate

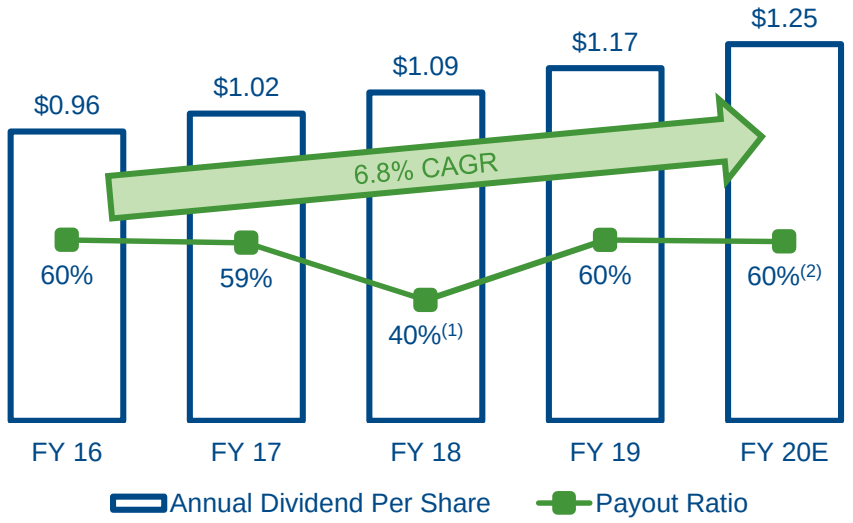


Dividends

6-8% — Expected long-term dividend growth rate; 6.8% dividend increase for fiscal 2020

24th — Consecutive year of dividend increases

60-65% — Long-term target dividend payout ratio



** A reconciliation from NFE to net income can be found in the Appendix on **Slide 25.***

(1) Includes outperformance of Energy Services and tax reform.
(2) 2020 payout based on midpoint of fiscal 2020 guidance.

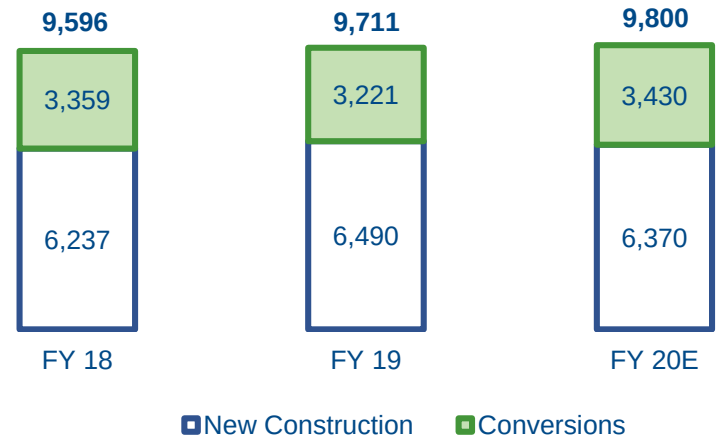
New Jersey Natural Gas

Rate Case	▪ Reached settlement of $62.2 million increase in rates effective November 15, 2019 ▪ Since our last rate case settlement, our rate base has grown at a CAGR of 8.7%
Customer Growth	▪ Added 9,711 new customers during fiscal 2019, a 1.8% annual customer growth rate ▪ Expect to add between 28,000 and 30,000 new customers from 2020 through 2022
Southern Reliability Link	▪ Received all permits and awarded contract for final phase of the project ▪ Began construction during fiscal 2019 and expect an in-service date in 2021 ▪ Recovery for the project will be addressed in subsequent rate case
Accelerated Recovery Programs	▪ SAFE II – replaced 72 miles of bare steel main in fiscal 2019 ▪ NJ RISE – completed the South Seaside Reinforcement project and continued construction to install a new distribution main into Long Beach Island
Infrastructure Investment Program	▪ Accelerated recovery program for natural gas transmission and distribution enhancement and for the replacement of IT infrastructure ▪ Regulatory review process is ongoing and expect conclusion in fiscal 2020

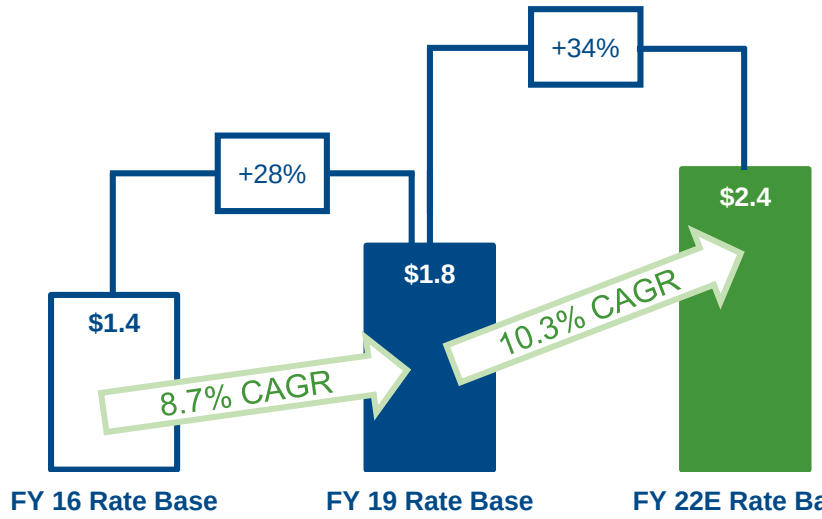
New Jersey Natural Gas

New Customer Additions

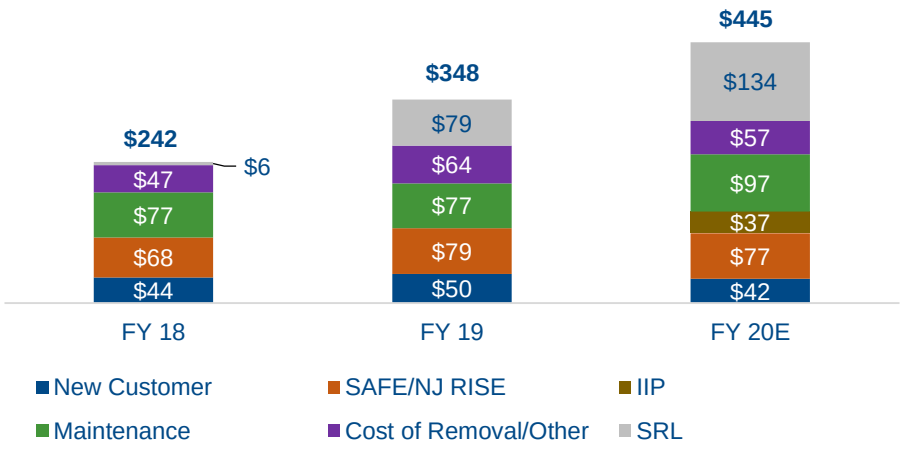
Annual Total Customer Growth Rate: 1.8% in FY 2019 and FY 2020E



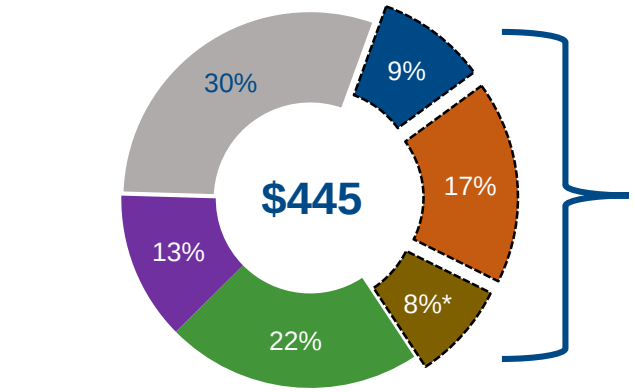
Rate Base ($Billions)



Capital Expenditures ($MM)



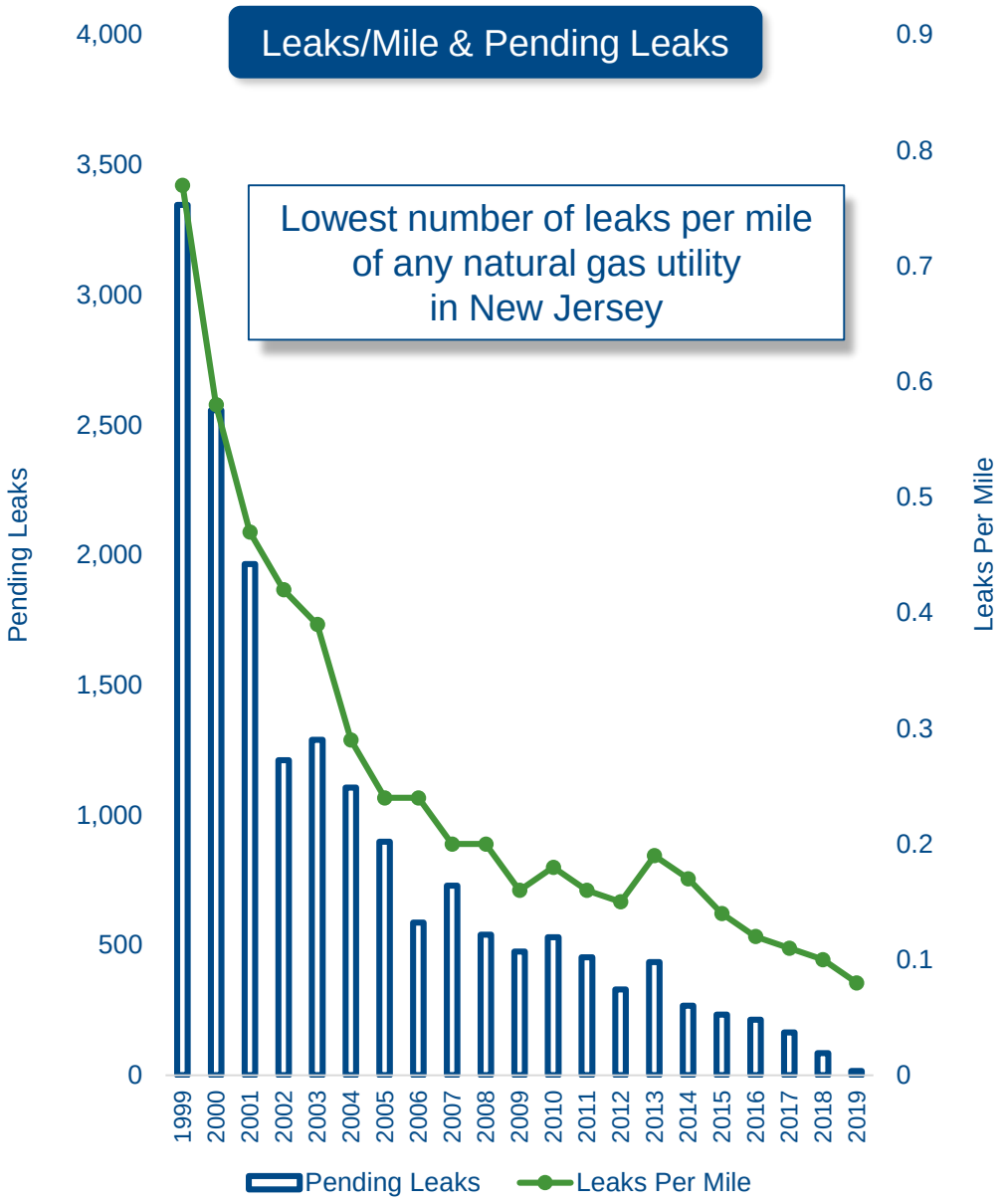
FY 2020E Capex Accelerated Return ($MM)



~35% of FY 2020E capex earns an accelerated return

** IIP is currently under regulatory review and has not been approved yet for an accelerated rate recovery.*

NJNG Environmental Record



ONE
OUR NATION'S ENERGY
FUTURE

- First natural gas utility in the U.S. to source supply from TrustWell™ Responsible Gas Program
- Member of ONE Future and the Environmental Protection Agency's Methane Challenge
- Aggressively investing in strengthening our natural gas distribution system and reducing emissions
- 900 metric tons of methane emissions reduced by distribution system improvements since 2015

NJR Midstream

Leaf River

- Closed acquisition on October 11, 2019, for a purchase price of $367.5 million
- Adds 32.2 MMDth of working natural gas storage capacity to portfolio
- Nominally accretive to NFE in fiscal 2020 after dilutive impact of new equity issuance
- Supports NJR's long-term NFE growth rate of 6% – 8%

Steckman Ridge

- 50% ownership interest
- Contributed $0.09 to NFEPS in fiscal 2019

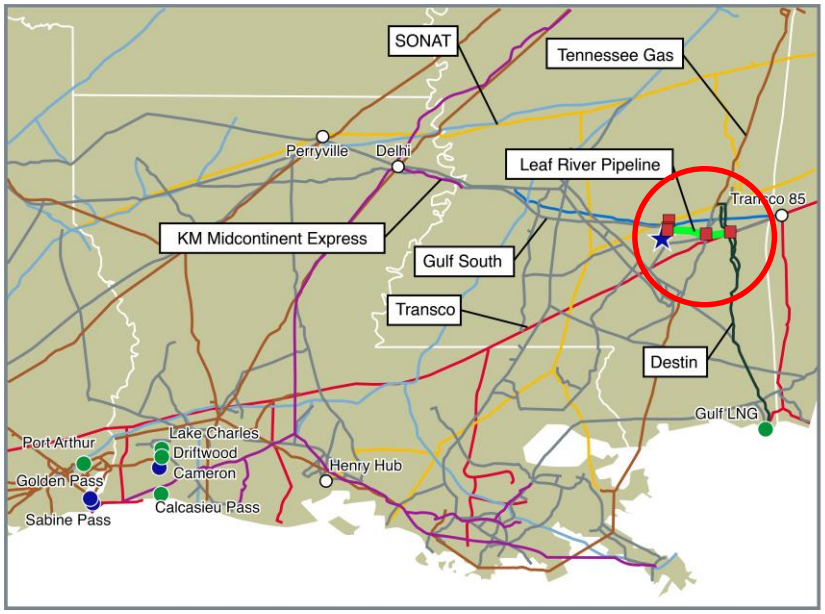
PennEast

- The PennEast partnership is currently pursuing its appellate rights and evaluating development options
- Contributed $0.04 of NFEPS in fiscal 2019 from AFUDC equity
- Fiscal 2020 projections consider similar minimal AFUDC equity contribution to NFE

Adelphia Gateway

- Awaiting FERC certificate
- No contribution considered to fiscal 2020 NFE projections

Strategic Fit of Leaf River Energy Center



Investment Rationale

- High-turn natural gas storage asset with stable, contracted revenue
- NJR has 10+ year track record of maintaining a natural gas storage portfolio between 35 – 80 Bcf across multiple regions of the United States, including markets served by Leaf River

Growth Market

- Gulf Coast is the fastest growing market for natural gas in the United States
- Demand for LNG and natural gas fired generation continues to grow

Pipeline Access

- Located in southeastern Mississippi with connections to six major interstate pipelines
- Provides geographic and contractual advantages due to the proximity to markets on Transco and Southern Natural Pipeline (SONAT)

Expandability

- Potential growth opportunities through facilities expansion and new pipeline interconnections
- Facility designed with option to build an additional storage cavern that would add ~13.1 MMdth of storage capacity

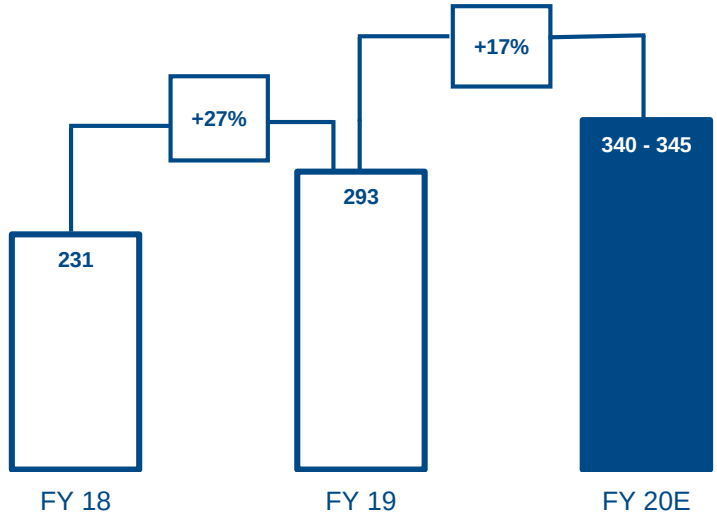
Clean Energy Ventures

52 MW — Incremental installed capacity from seven commercial projects in FY19

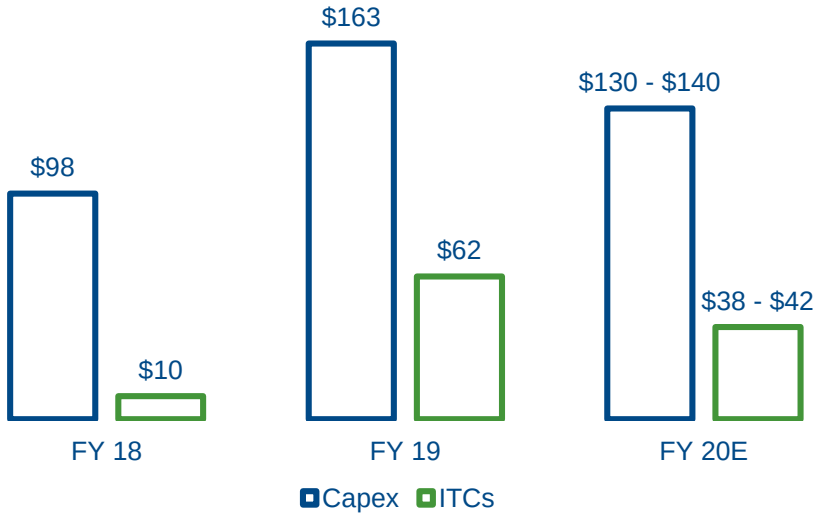
47-52 MW — Expected incremental capacity from commercial projects in FY20

Over 8,100 — The Sunlight Advantage residential solar customers at the end of FY19

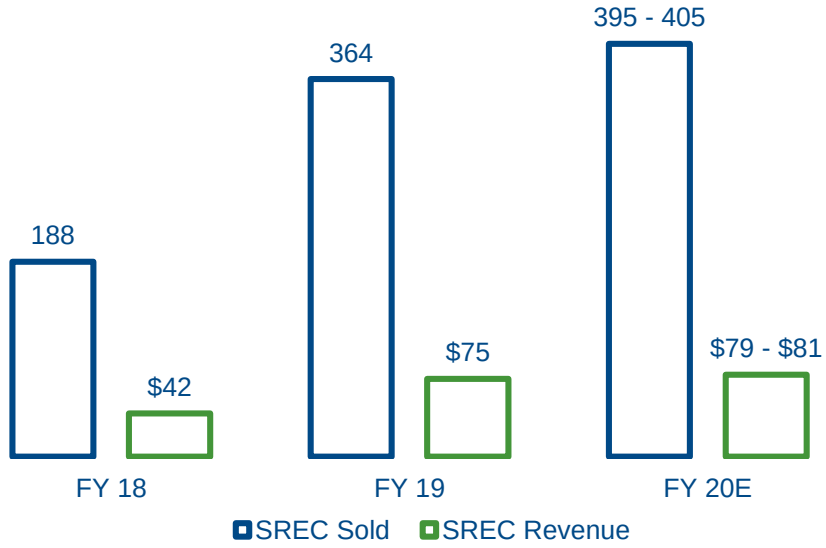
Total MW in Service



Capital Expenditures & Investment Tax Credits ($MM)

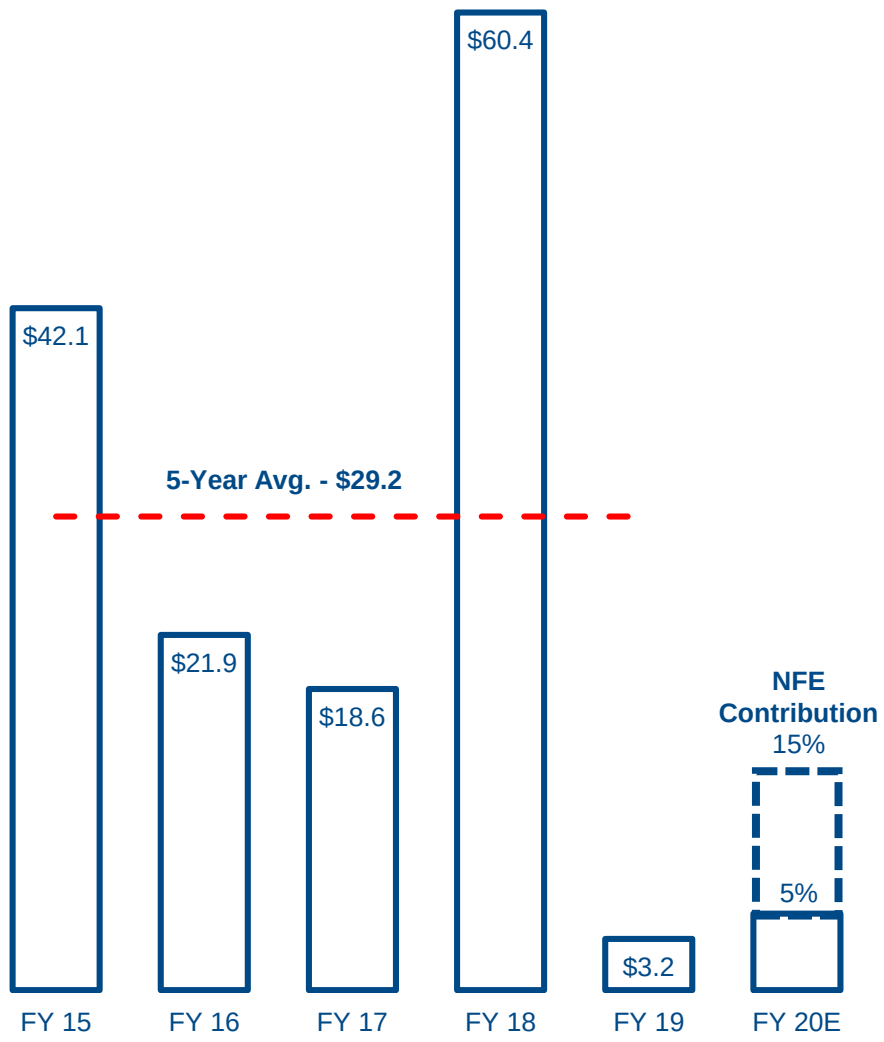


SRECs Sold (000s) & Revenue ($MM)



NJR Energy Services

Net Financial Earnings ($MM)



NFE — Consistent contributor with no permanent capital requirements

Fiscal 2020 NFE — NFE contribution per fiscal year expected to return to ~ 5% – 15%

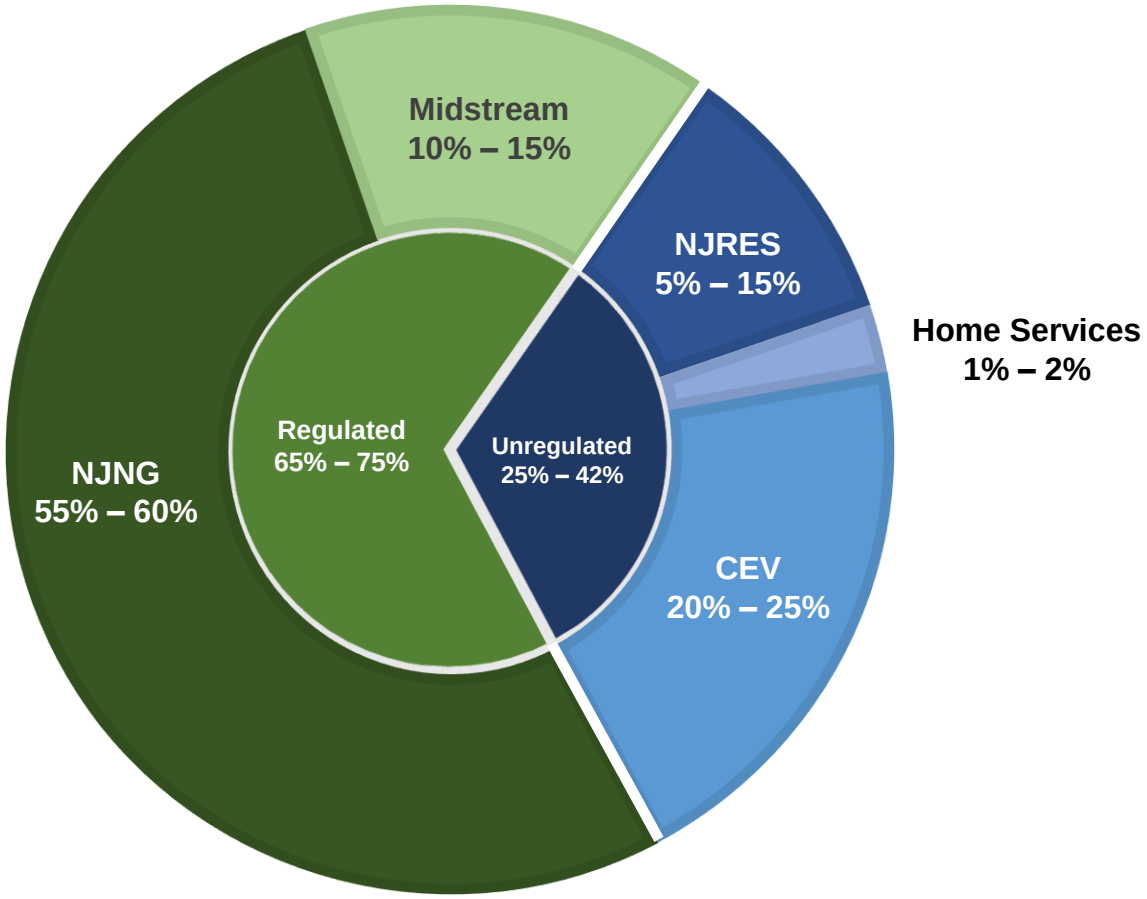
Upside — Opportunity for additional earnings based on market opportunities

Strategy — Physical long call option strategy mitigates down-side earnings risk

Fiscal 2020 NFE Guidance

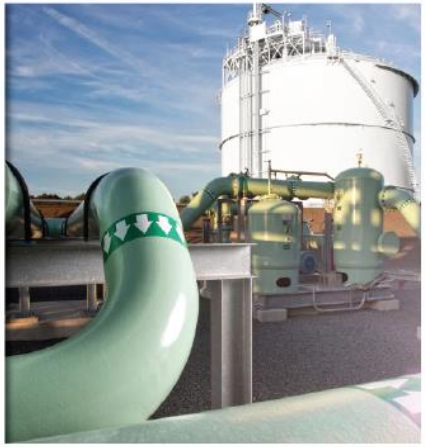
Fiscal 2020 NFE Guidance: $2.05 – $2.15

65% – 75% of NFE from Regulated Businesses



New Jersey Resources





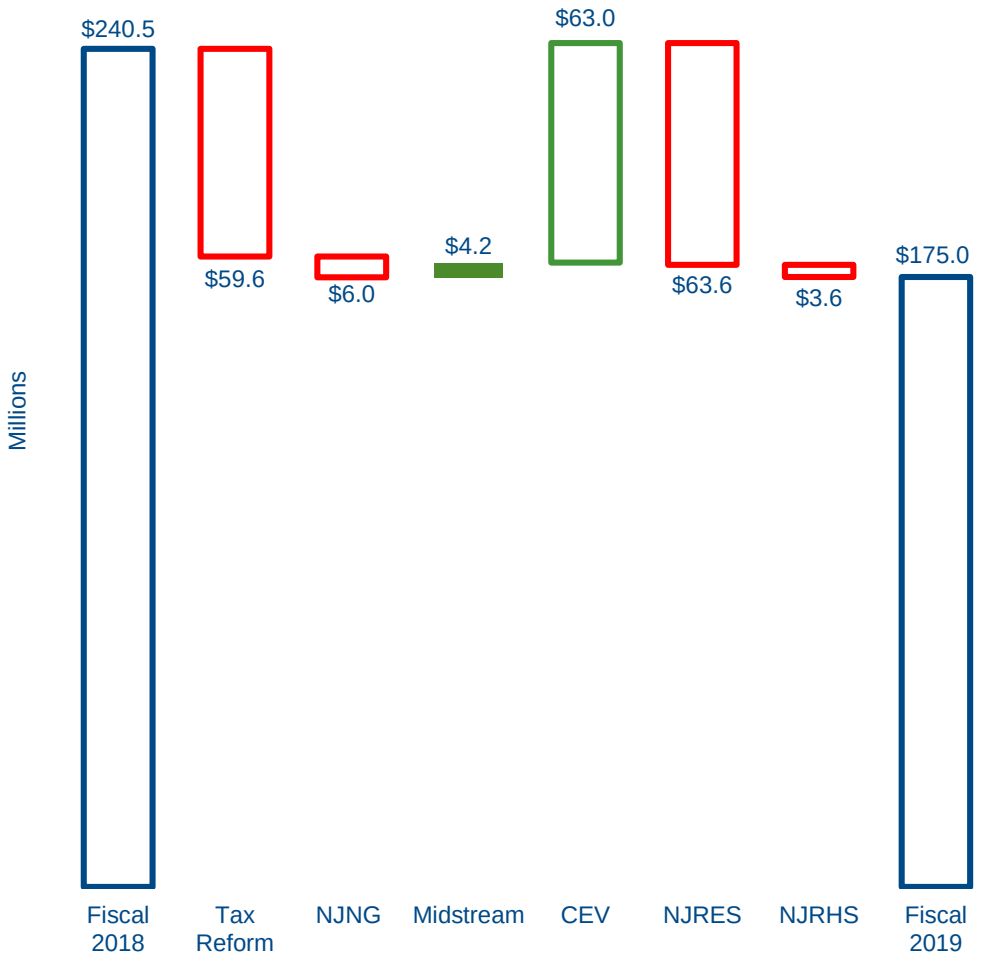


Financial Review

Patrick Migliaccio
Senior Vice President & Chief Financial Officer

Changes in Net Financial Earnings – Fiscal 2019

Changes in NFE – Fiscal 2019 ($MM)



Fiscal 2018 – Consolidated NFE ($MM)	**$240.5**
Tax Reform	($59.6)

NJNG	**($6.0)**
Utility Gross Margin*	$10.1
BGSS Incentives	($4.4)
O&M Expenses	($11.1)
Other	($0.6)

NJR Midstream	**$4.2**
Decrease in Equity in Earnings of Affiliates	($0.3)
Decrease in O&M Expense	$3.0
Increase in Other Income	$1.5

NJR Clean Energy Ventures	**$63.0**
SREC revenue and power sales	$26.7
Investment Tax Credits	$47.7
O&M, Depreciation, Interest Expense & Tax Provisions	($11.4)

NJR Energy Services	**($63.6)**
NJRES Margin	($63.6)

NJR Home Services and Other	**($3.6)**
Revenue, O&M and Other Income	($3.6)

Fiscal 2019 – Consolidated NFE	**$175.0**

** Excludes impact of Tax Act impact and BGSS incentives.*

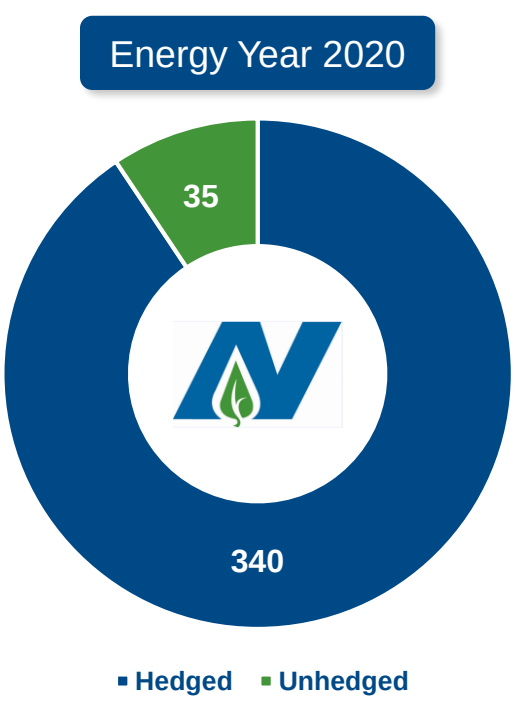
NJNG Rate Case Settlement

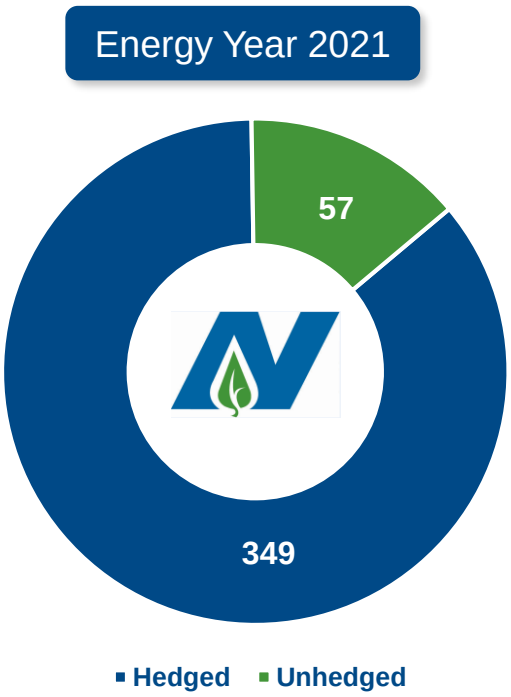
- $62.2 million rate increase approved by New Jersey Board of Public Utilities on November 13, 2019; new base rates effective November 15, 2019
- Rate base of $1.76 billion and WACC of 6.95%

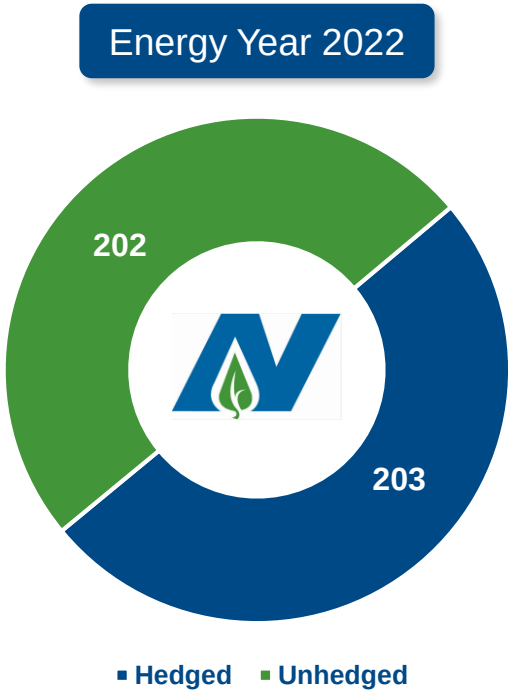
Overall Cost of Capital and Weighted Return			
	Percent	Approved Return	Weighted Cost
Long-Term Debt	46.0%	3.83%	1.76%
Common Equity	54.0%	**9.60%**	5.19%
Total	100.0%		6.95%

Settlement ($000)		
Rate Base		$1,764,650
Rate of Return	✖	6.95%
Operating Income Requirement	=	$122,592
Test Year Operating Income		($78,147)
Operating Income Deficiency	=	$44,445
Revenue Factor	✖	1.3995
Rate Increase	=	$62,200

CEV – SREC Hedging Strategy Stabilizes Revenue







Percent Hedged	Average Price	Current Price (EY)
91%	$198	$238

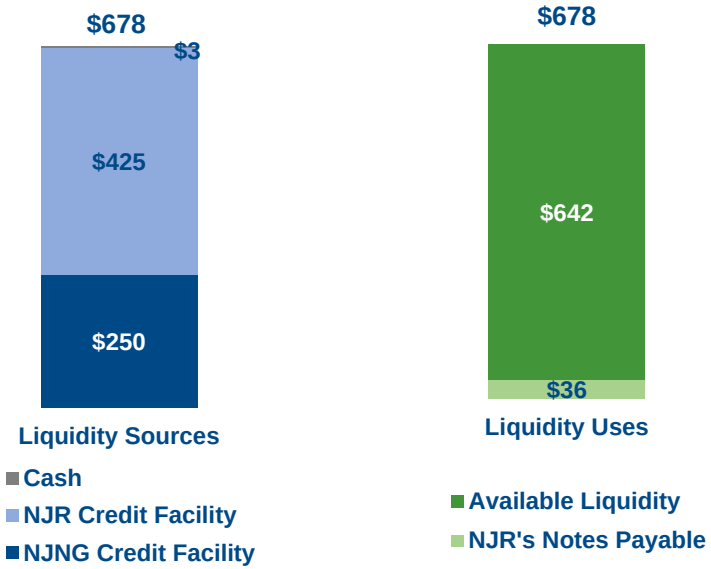
Percent Hedged	Average Price	Current Price (EY)
86%	$197	$229

Percent Hedged	Average Price	Current Price (EY)
50%	$203	$196

As of November 15, 2019; Source: InterContinental Exchange

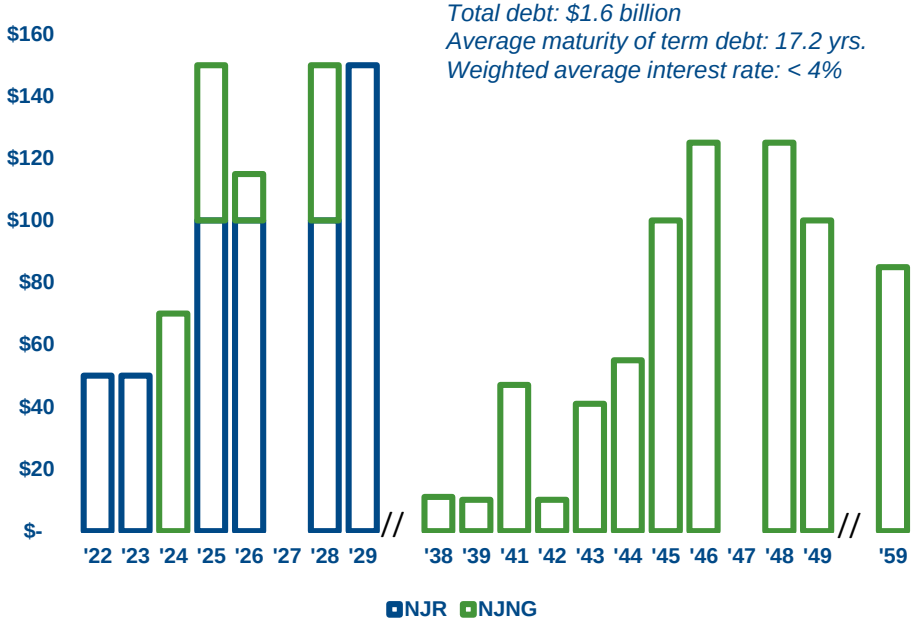
Balance Sheet Details

Available Liquidity as of September 30, 2019 ($MM)



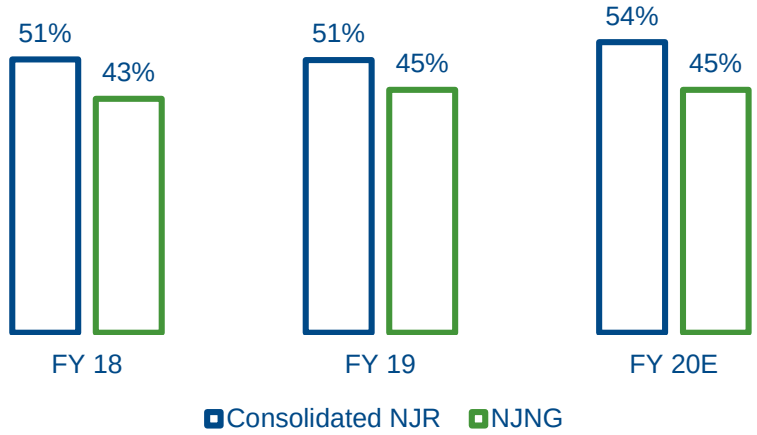
Debt Maturity Schedule ($MM)

Total debt: $1.6 billion
Average maturity of term debt: 17.2 yrs.
Weighted average interest rate: < 4%



** Fiscal years shown above*

Total Debt to Capitalization



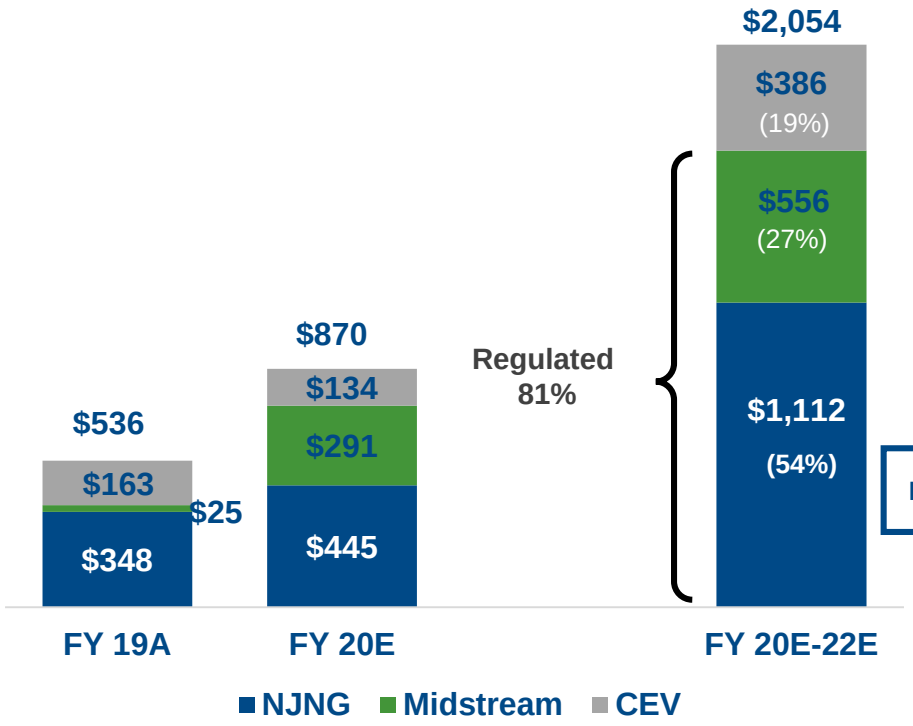
NJNG Secured Debt Ratings

Moody's	Fitch
Aa3	A+

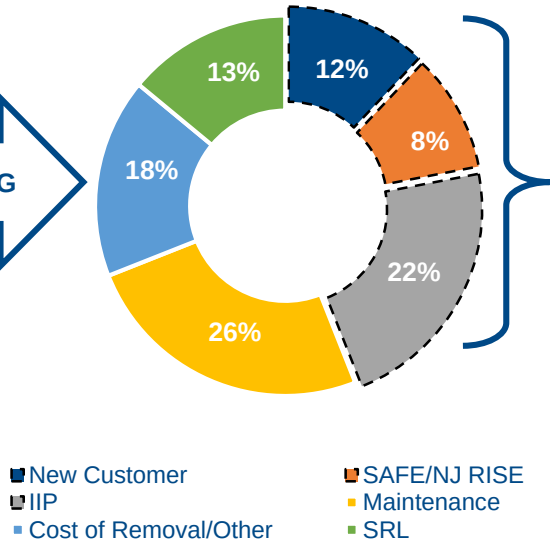
NJR Capital Plan

- Capital expenditures expected to grow by more than 60% in FY 2020 vs. FY 2019 primarily due to higher Midstream investments (Adelphia Gateway)
- Over the next three years more than 50% of total Capex is expected to be allocated to NJNG and approximately 80% to regulated investments

Total Capital Expenditures ($MM)



NJNG Capex Fiscal 2020 – 2022



Up to 42% of Capex expected to earn accelerated returns

NJR Projected Cash Flows

- FY 2020 financing activities include permanent funding for Leaf River acquisition
- Leaf River funded through 364-day bridge facility; NJR expects to access the equity and debt markets during the remainder of the 2020 fiscal year
  - Fiscal 2020 equity issuances address planned equity needs for fiscal 2020 and 2021(1)

($ millions)	FY 2019A	FY 2020E	FY 2021E
Cash Flow From Operations	$189	$343	$381
Uses of Funds			
Capex(2)	($525)	($870)	($508)
Acquisitions	-	(368)	-
Dividends	(104)	(119)	(129)
Total Uses of Funds	**($629)**	**($1,356)**	**($638)**
Financing Activities		*Satisfies equity needs for fiscal 2020 and 2021*	
Common Stock Proceeds – DRIP	$17	$18	$18
Common Stock Proceeds – Other	$57	$220 - $270	$0
Asset Sales(3)	$240	$0.0	$0.0
Debt Proceeds/Other	$124	$726 - $776(4)	$239
Total Financing Activities	**$438**	**$1,014**	**$257**

As of September 30, 2019

(1) Excluding stock issuances related to NJR's Dividend Reinvestment Plan and stock compensation.

(2) Based on midpoint of capital expenditure guidance located in the Appendix on page 32.

(3) Includes net proceeds of $205.7 million from the sale of wind assets and $34.5 million from the sale of equity securities.

(4) Includes debt proceeds to fund Leaf River and Adelphia Gateway acquisitions.

Fiscal 2020 Guidance: $2.05 - $2.15 NFEPS

NJNG

- $62.2 million increase to rates; $37 million annualized increase to NFE
- 1.8% customer growth
- 10% growth in rate base

Midstream

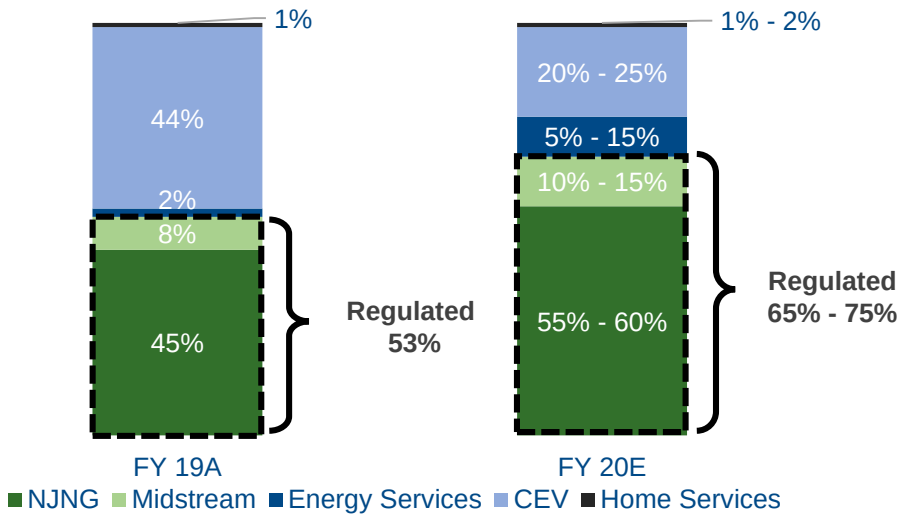
- Leaf River accretive even after dilution
- No contribution from Adelphia
- Minimal contribution from PennEast

CEV

- Adding 47 – 52 MW of installed capacity
- Generating $38 – $42 million of Investment Tax Credits

NJRES

- Normalized contribution from Energy Services of 5% - 15%





Investor Value Proposition



(1) As of November 15, 2019, dividend yield was 3.0%; based on a closing price of $41.48 per common share and assumes a constant P/E ratio.

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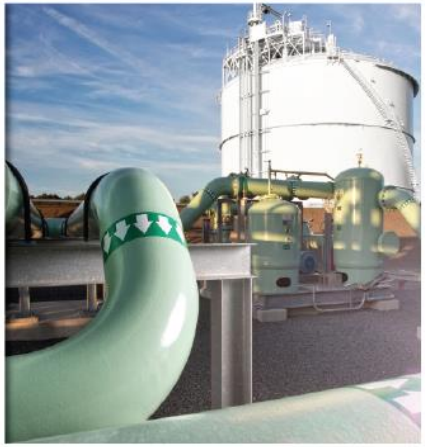
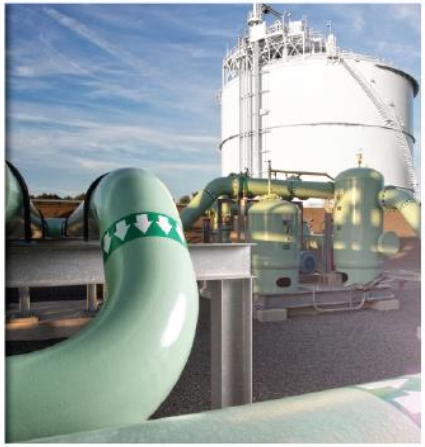




Q&A

New Jersey Resources







Appendix

Fiscal 2019 Net Financial Earnings (Loss) by Business Unit

	Three Months Ending September 30,			Twelve Months Ending September 30,		
($ thousands)	2019	2018	Change	2019	2018	Change
New Jersey Natural Gas	($18,402)	($12,943)	$5,459	$78,062	$84,048	($5,986)
NJR Midstream	3,488	2,052	1,436	14,689	24,367	(9,678)
Regulated Businesses	**(14,914)**	**(10,891)**	**(4,023)**	**92,751**	**108,415**	**(15,664)**
NJR Clean Energy Ventures	52,676	(4,623)	57,299	77,473	75,849	1,624
NJR Energy Services	(10,726)	(17,649)	6,923	2,918	60,378	(57,460)
NJR Home Services & Other	(1,080)	4,257	(5,337)	1,818	(4,156)	5,974
Total	**$25,956**	**($28,906)**	**54,862**	**$174,960**	**$240,486**	**($65,526)**
EPS	**$0.29**	**($0.33)**	**$0.62**	**$1.96**	**$2.74**	**($0.78)**

Reconciliation of Non-GAAP Measures

A reconciliation of NFE for the three and twelve months ended September 30, 2019 and 2018 to net income is provided below:

	Three Months Ended September 30,		Twelve Months Ended September 30,	
(thousands)	2019	2018	2019	2018
Net Income (Loss)	$18,086	($16,255)	$169,505	$233,436
Add:				
Unrealized loss (gain) on derivative instruments and related transactions	28,234	866	2,881	26,770
Tax effect	(6,745)	(592)	(711)	(4,512)
Effects of economic hedging related to natural gas inventory	(7,764)	(7,782)	4,309	(22,570)
Tax effect	1,845	1,844	(1,024)	7,362
Net income to NFE tax adjustment	(7,700)	(6,987)	--	--
Net financial earnings	**$25,956**	**($28,906)**	**$174,960**	**$240,486**
Weighted Average Shares Outstanding				
Basic	**89,983**	**88,279**	**89,242**	**87,689**
Diluted	**90,366**	**88,279**	**89,616**	**88,315**
Basic earnings per share	**$0.20**	**($0.18)**	**$1.90**	**$2.66**
Add:				
Unrealized loss (gain) on derivative instruments and related transactions	0.31	0.01	0.03	0.31
Tax effect	(0.06)	(0.01)	(0.01)	(0.05)
Effects of economic hedging related to natural gas inventory	(0.09)	(0.09)	0.05	(0.26)
Tax effect	0.02	0.02	(0.01)	0.08
Net income to NFE tax adjustment	(0.09)	(0.08)	--	--
Basic net financial earnings per share	**$0.29**	**($0.33)**	**$1.96**	**$2.74**

NJNG – Infrastructure Investment Program (IIP)

- Five year, $507 million investment to strengthen infrastructure
- Natural gas transmission and distribution system enhancements
- Information technology system replacement



- Natural gas system enhancements account for $288 million of the investment
- Objective is to continue to make NJNG's system the safest in the state

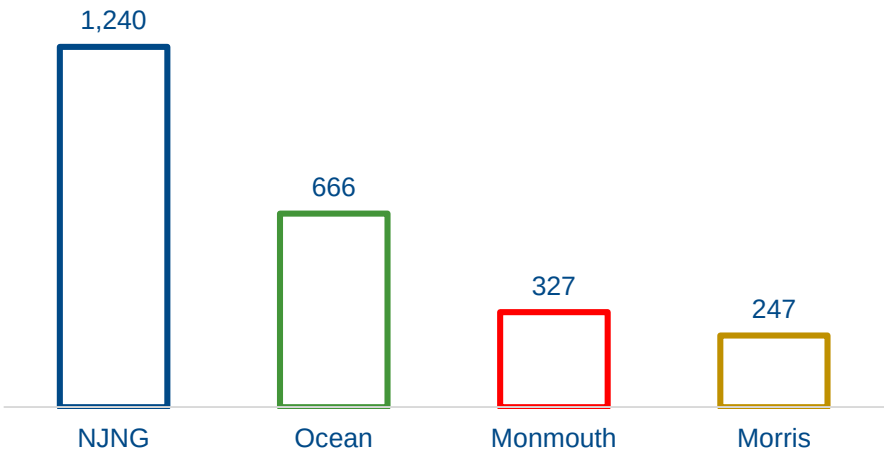


- IT system replacement will account for $219 million of the investment
- Strengthen IT infrastructure to better serve customers
- Increase cybersecurity efforts

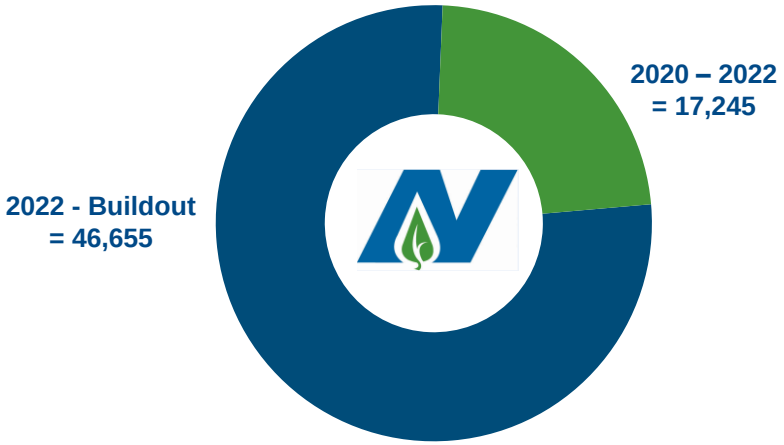
NJNG - Factors Supporting Future Customer Growth

New Construction

2019 Building Permits Issued[1]

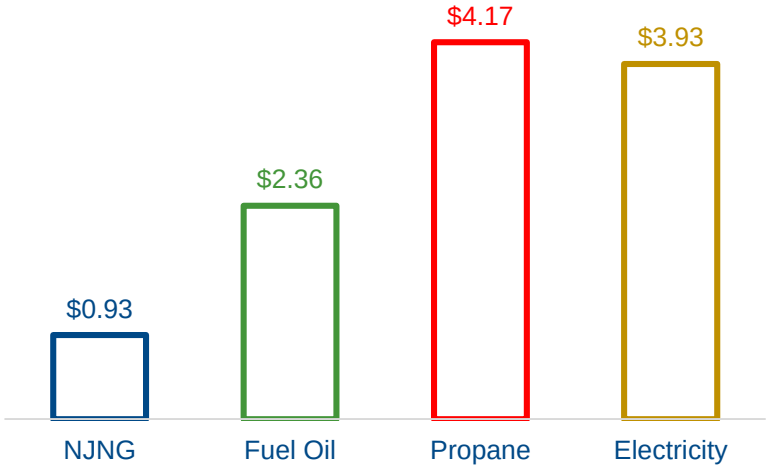


Residential New Construction[3] = 63,900

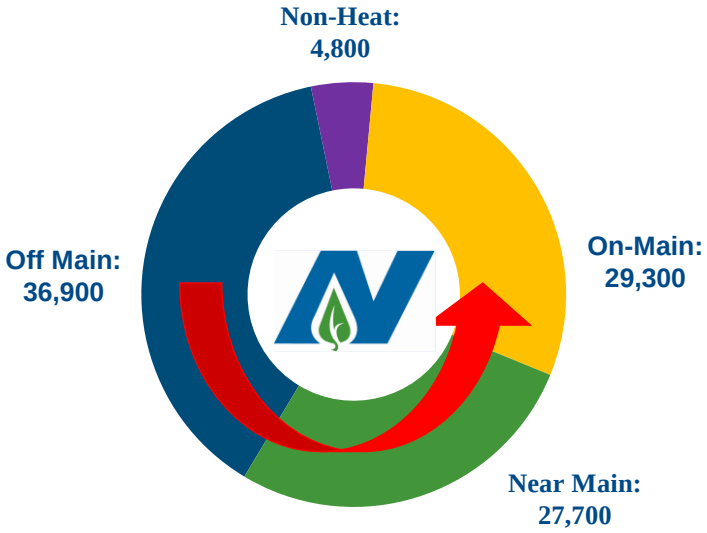


Conversions

Equivalent Customer Cost[2]

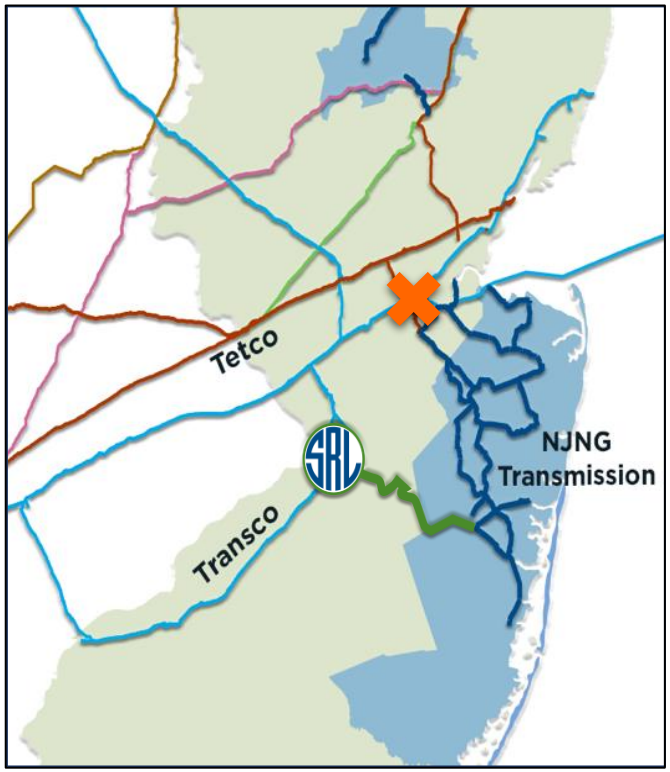


Residential Conversions[4] = 98,700



1. *Source: U.S. Bureau of Census as of April 2019*
2. *Source: U.S. Energy Information Administration; as of March 2019; based on 100,000 comparable BTUs*
3. *Source: A.D. Little as of September 2018 and updated annually by NJNG.*
4. *Source: NJNG as of November 2, 2018 and updated annually.*

NJNG – Southern Reliability Link (SRL)



Current Status

- Received all necessary permits and approvals
- Construction began in fiscal 1Q19

Approvals

- Received an easement from Joint Base McGuire-Dix-Lakehurst in June 2018
- NJ Pinelands Commission, NJDEP, NJBPU

Purpose

- 30-mile pipeline designed to improve system integrity and reliability
- Diversifies supply

Jan. 2017 BPU Approval ✓

Mar. 2017 Permit Issued by NJDEP ✓

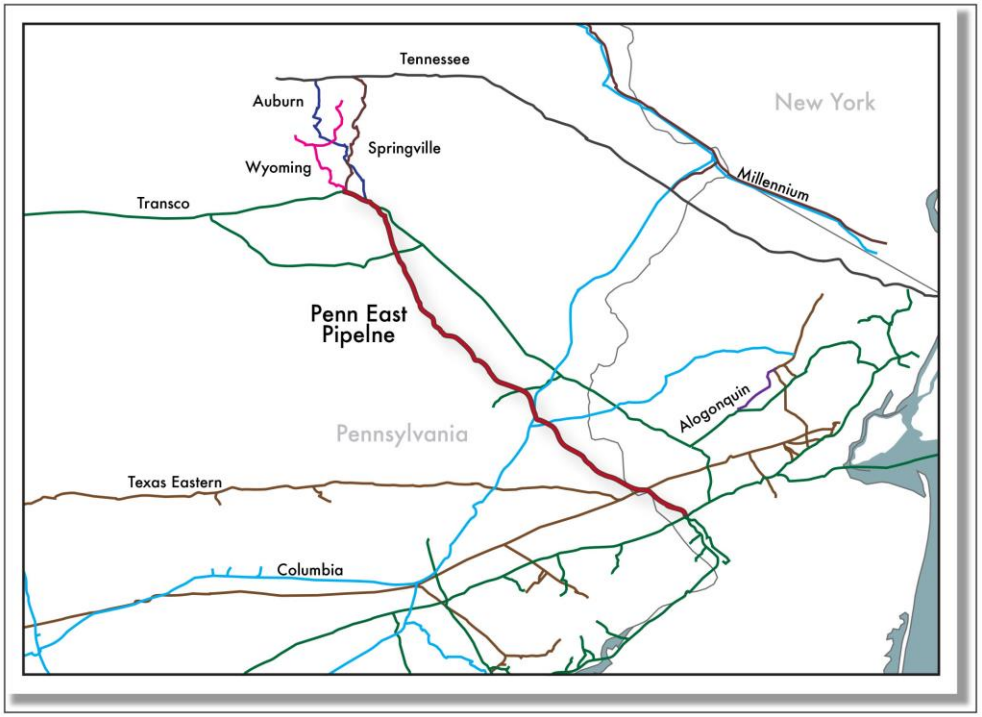
Sept. 2017 NJ Pinelands Comm. Approval ✓

June 2018 Joint Base Approval ✓

Fiscal 1Q19: Construction commenced ✓

Expected in-service date: 2021

NJR Midstream – PennEast Pipeline



Project Overview

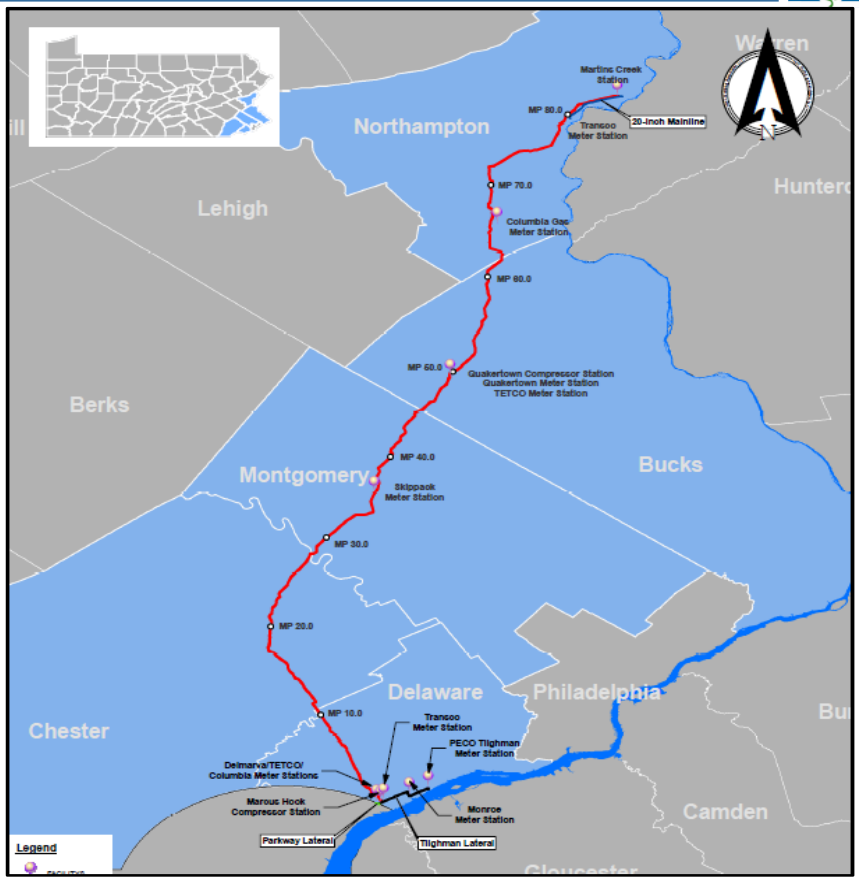
- 20 percent ownership in 120-mile transmission pipeline to Northeast connecting Marcellus Shale region supply
- Access to the lowest cost supply point in North America; expected to benefit customers and local economies
- Approved by FERC – January 19, 2018

- On November 14, 2019, PennEast announced it will ask the Supreme Court of the United States to review the September 2019 decision by the United States Court of Appeals for the Third Circuit.
- The PennEast partnership remains committed to the project and is currently pursuing its appellate rights and continues to evaluate development options to proceed with the construction of the pipeline

NJR Midstream – Adelphia

Project Overview

- Converts existing oil pipeline to natural gas
- Leverages existing infrastructure, brownfield locations and rights of way
- Provides new natural gas supply to constrained markets through increased delivery connections
- Successful open season completed
- Received Environment Assessment from FERC



Recent Developments

Awaiting FERC Certificate of Public Convenience and Necessity

Fiscal 2Q18:
FERC filing for Certificate of Public Convenience and Necessity

Fiscal 3Q18:
FERC announced Environmental Assessment

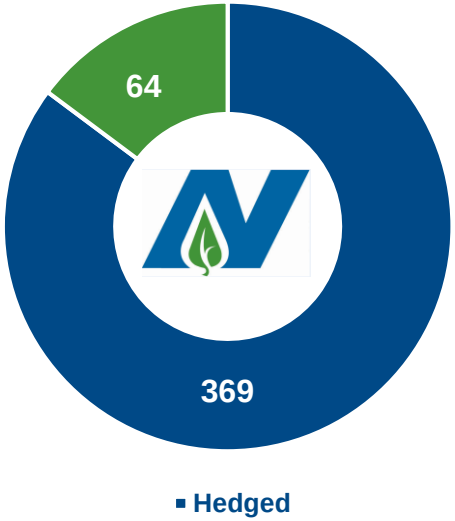
Fiscal 4Q18:
Received notice of schedule for Environmental Review from FERC

Fiscal 2020:
Receipt of necessary local and regulatory approvals

Project in service

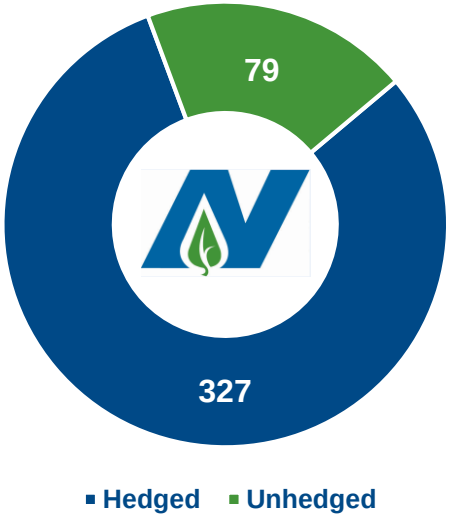
SREC Hedging Strategy – Fiscal Year

Fiscal Year 2020



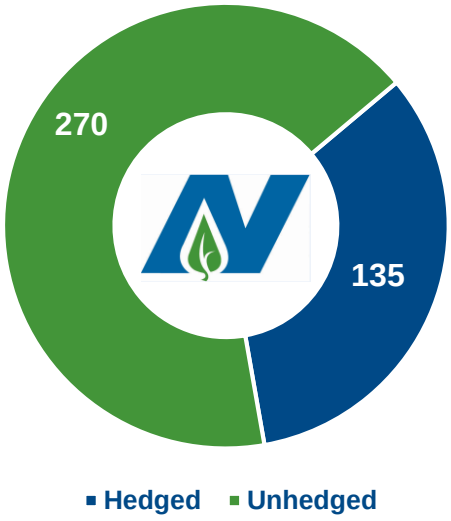
Percent Hedged	Average Price	Current Price (FY)
85%	$195	$235

Fiscal Year 2021



Percent Hedged	Average Price	Current Price (FY)
80%	$196	$218

Fiscal Year 2021



Percent Hedged	Average Price	Current Price (FY)
33%	$195	$186

NJR Capital Plan

($MM)	FY 2019A	FY 2020E	FY 2021E	FY 2022E	Accelerated Return?
New Jersey Natural Gas*					
New Customer	$50	$42	$38 - $48	$39 - $49	Yes
Maintenance	$77	$97	90 - 100	85 - 95	
Cost of Removal/Other	$64	$57	66 - 72	58 - 68	
SAFE II	$53	$51	- - -	- - -	Yes
NJ RISE	$26	$27	- - -	- - -	Yes
SRL	$79	$134	22 - 32	- - -	
Infrastructure Investment Programs	$0	$37	73 - 83	149 - 169	Yes
Total	***$348***	***$445***	***$289 - $335***	***$331 - $381***	
Midstream*					
Leaf River	$0	$3	$5 - $10		
Adelphia Gateway	$20	$282	$35 - $45		
PennEast	$4	$6	$214 - $224		
Total	***$25***	***$291***	***$254 - $279***		
Clean Energy Ventures**					
Residential Solar	$27	$25	$23 - $27	$23 - $27	
Commercial Solar	$136	$109	96 - 106	96 - 106	
Total	$163	$134	$119 $133	$119 $133	
GRAND TOTAL	***$536***	***$870***	***$408 - $608***	***$564 - $793***	

* *Including accruals.*

** *Only includes capital expenditures of ITC-eligible projects placed in service*