

**2020 AGA
Investor Presentation
May 2020**

Forward-Looking Statements and Use of Non-GAAP Measures

Certain statements contained in this presentation may qualify as “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact should be considered forward-looking statements made in good faith and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Words such as “anticipate”, “believe”, “expect”, “estimate”, “forecast”, “goal”, “intend”, “objective”, “plan”, “project”, “seek”, “strategy”, “target”, “will” and similar expressions are intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the statements. These risks and uncertainties include, but are not limited to, the following: general economic conditions on an international, national, state and local level; weather conditions in our marketing areas; changes in commodity costs; changes in the availability of natural gas; “non-routine” or “extraordinary” disruptions in our distribution system; regulatory, legislative and court decisions; competition; the availability and cost of capital; costs and effects of legal proceedings and environmental liabilities; the failure of customers or suppliers to fulfill their contractual obligations; changes in business strategies; and public health crises and epidemics or pandemics, such as a novel coronavirus (COVID-19). These cautionary statements should not be construed by you to be exhaustive. While SJI believes these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience. Further, SJI undertakes no obligation to update or revise any of its forward-looking statements, whether as a result of new information, future events or otherwise.

Management uses the non-GAAP financial measures of Economic Earnings and Economic Earnings per share when evaluating its results of operations. These non-GAAP financial measures should not be considered as an alternative to GAAP measures, such as net income, operating income, earnings per share from continuing operations or any other GAAP measure of financial performance. We define Economic Earnings as: Income from continuing operations, (i) less the change in unrealized gains and plus the change in unrealized losses on all derivative transactions; and (ii) less the impact of transactions, contractual arrangements or other events where management believes period to period comparisons of SJI's operations could be difficult or potentially confusing. Economic Earnings is a significant financial measure used by our management to indicate the amount and timing of income from continuing operations that we expect to earn after taking into account the impact of derivative instruments on the related transactions, as well as the impact of contractual arrangements and other events that management believes make period to period comparisons of SJI's operations difficult or potentially confusing. Management uses Economic Earnings to manage its business and to determine such items as incentive/compensation arrangements and allocation of resources. Specifically regarding derivatives, we believe that this financial measure indicates to investors the profitability of the entire derivative-related transaction and not just the portion that is subject to mark-to-market valuation under GAAP. We believe that considering only the change in market value on the derivative side of the transaction can produce a false sense as to the ultimate profitability of the total transaction as no change in value is reflected for the non-derivative portion of the transaction. Please refer to our annual report on form 10-K and other SEC filings where the reconciliations to GAAP earnings can be found.

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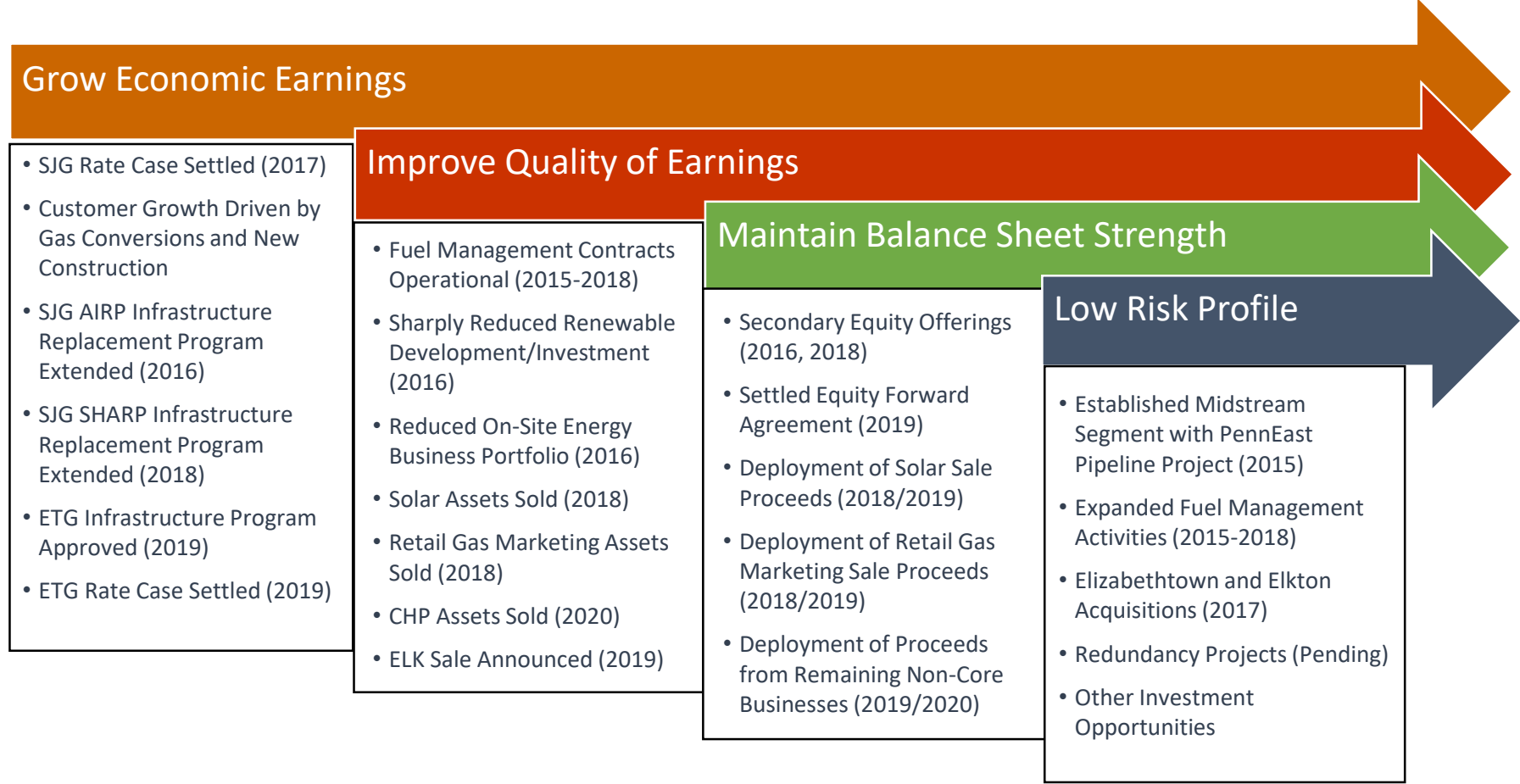
OVERVIEW

Overview | Vision

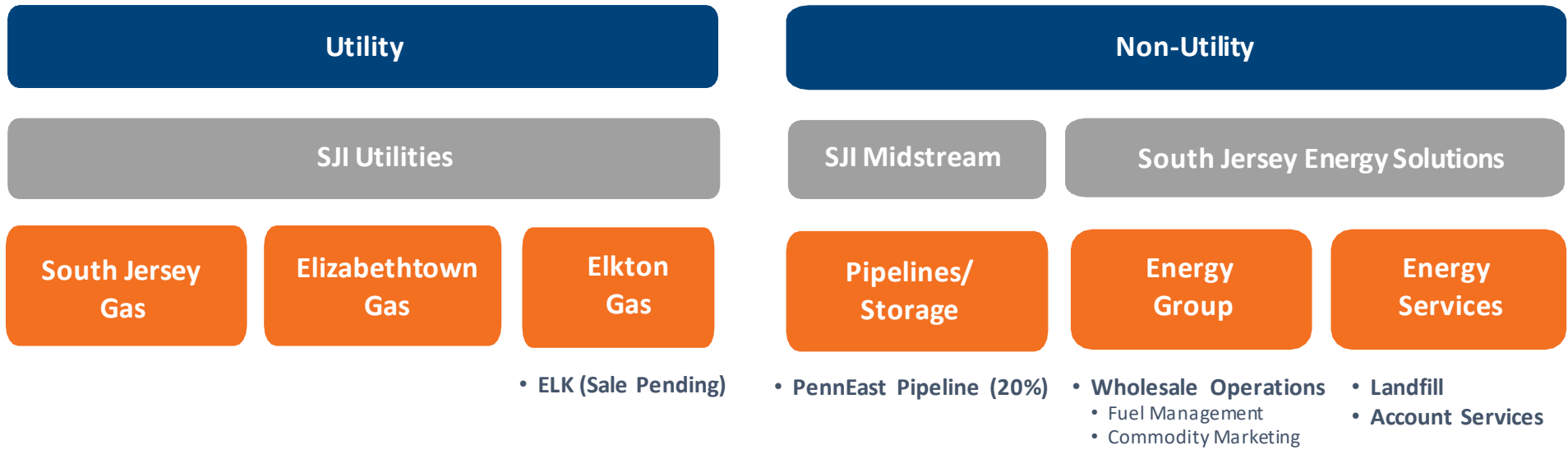
- ❖ Our vision is to drive shareholder value and customer satisfaction through *investment in expanding and modernizing our utility infrastructure* and through regulatory innovation that provides safety, reliability, value and certainty to our customers.
- ❖ Knowing the criticality of reliable, cost effective supply to our region, we also seek *investment in long-term contracted energy infrastructure that will support a more sustainable environment* while making the mid-Atlantic region more affordable for families and competitive for businesses.
- ❖ Finally, we look to leverage our deep industry expertise and relationships, to *provide essential services to utilities, power generators and industrial customers* through our wholesale marketing, fuel management and consulting services.



Overview | Business Transformation



Overview | Organizational Structure Today



ESG Committee reports to the Corporate Responsibility Committee of SJI's Board of Directors, ensuring the highest level of oversight

Environmental

- ✓ Collaborate with DEP and our state regulators to support effective environmental, health and safety standards and regulations
- ✓ Infrastructure built and monitored efficiency to minimize leaks
- ✓ Capital investment in remediation efforts and infrastructure
- ✓ 117+ CNG vehicles across our fleet
- ✓ Anticipate over 500 tons of carbon emissions will be reduced at the current pipe replacement rate

Social

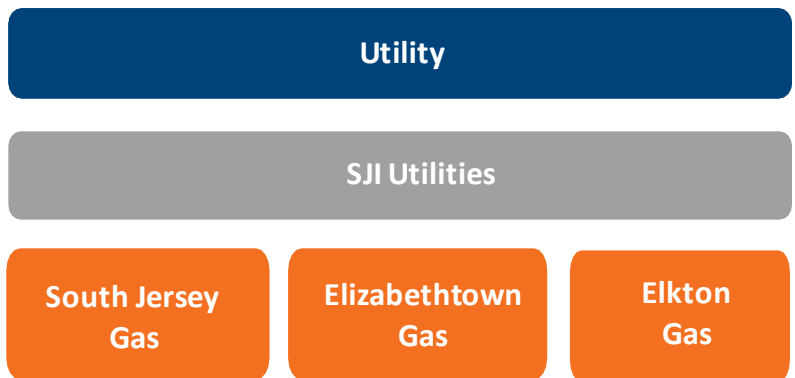
- ✓ Safety is the organization's non-negotiable top priority
- ✓ Commitment to supplier diversity
- ✓ 51% workforce diversity across 1,100+ employees
- ✓ 55% of CEO's direct reports are female
- ✓ Investment in the Customer Experience
- ✓ Significant contributions to support community and local non-profit organizations
- ✓ Health and financial wellness programs to support employee engagement

Governance

- ✓ 30% of SJI's board members are female
- ✓ 90% of board members are considered independent
- ✓ 70% of board members have tenure of 10 years or less
- ✓ Mandatory retirement age at 75
- ✓ Annual independent third-party board and comp evaluations

SJI UTILITIES

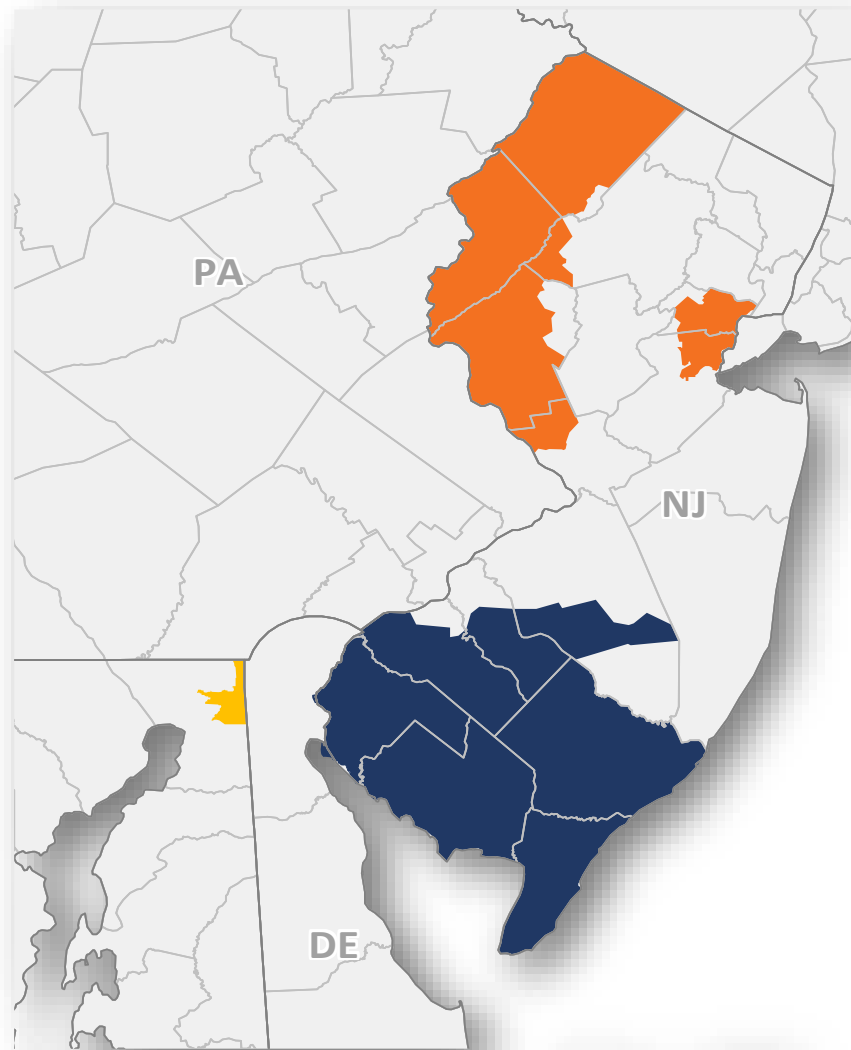
SJI Utilities | Overview



• ELK (Sale Pending)

Largest Stand-Alone Natural Gas Utility in New Jersey

- Three gas distribution utilities – South Jersey Gas (SJG) and Elizabethtown Gas (ETG) in NJ; and Elkton Gas (ELK) in MD
- ~10,000 miles of distribution and transmission pipeline
- ~700,000 total customers
- ~\$3B combined Rate Base
- Growing customer base
- Mix of new construction and conversions
- Collaborative relationship with NJ regulators
- NJ ranks #4 in the nation in per capita income and #8 for GDP



SJI Utilities | South Jersey Gas (SJG)

➤ Overview

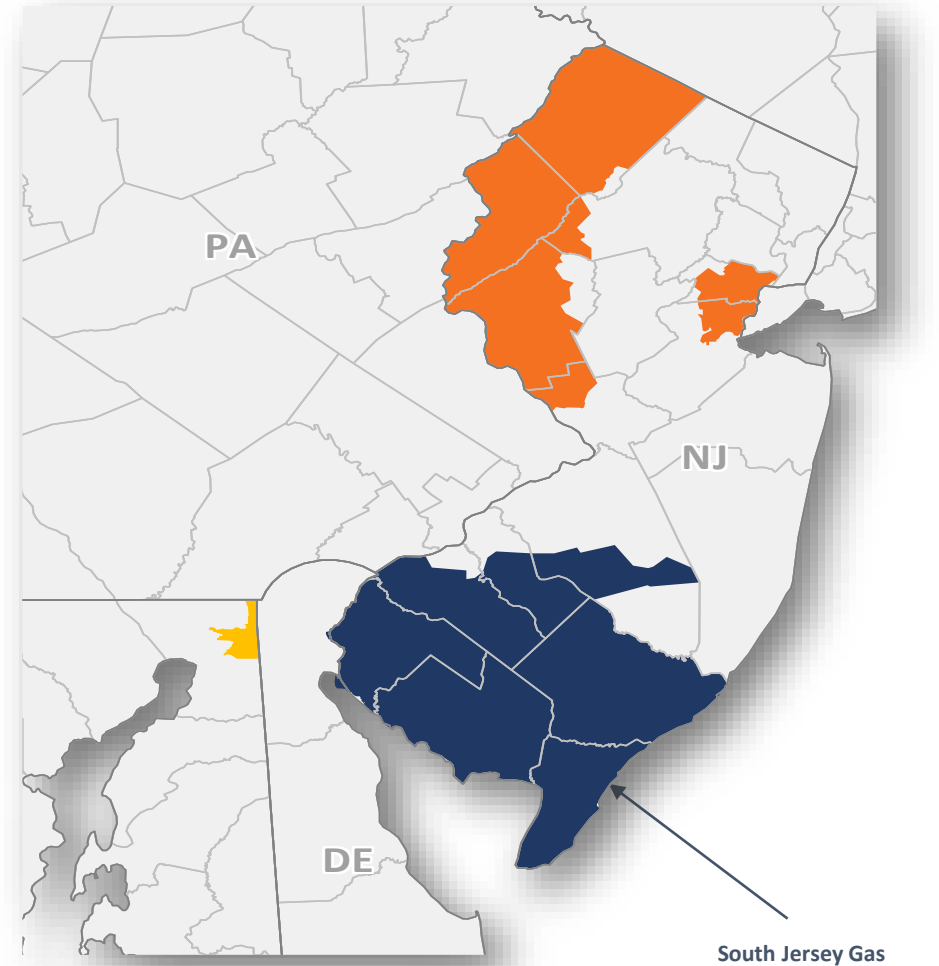
- 400,000+ customers served in southern New Jersey
- Mix of urban, suburban, rural and coastal communities
- Service territory covers more than 2,500 square miles
- ~6,600 miles of distribution pipeline
- ~70% gas saturation in service area
- Regulated by the NJ Board of Public Utilities

➤ Regulatory Construct

- Authorized rate base: \$1.6B
- Authorized ROE: 9.6%
- Authorized Equity Component 52.5%
- Authorized Trackers: Decoupling (CIP), AIRP and SHARP, Energy Efficiency Tracker (EET), Recovery of Environmental Costs (RAC)

➤ Growth Drivers

- Customer growth – new home construction and conversions
- Multi-year infrastructure investment programs (AIRP, SHARP)
- Periodic base rate cases
- Reliability and Redundancy Projects



SJI Utilities | Elizabethtown Gas (ETG)

➤ Overview

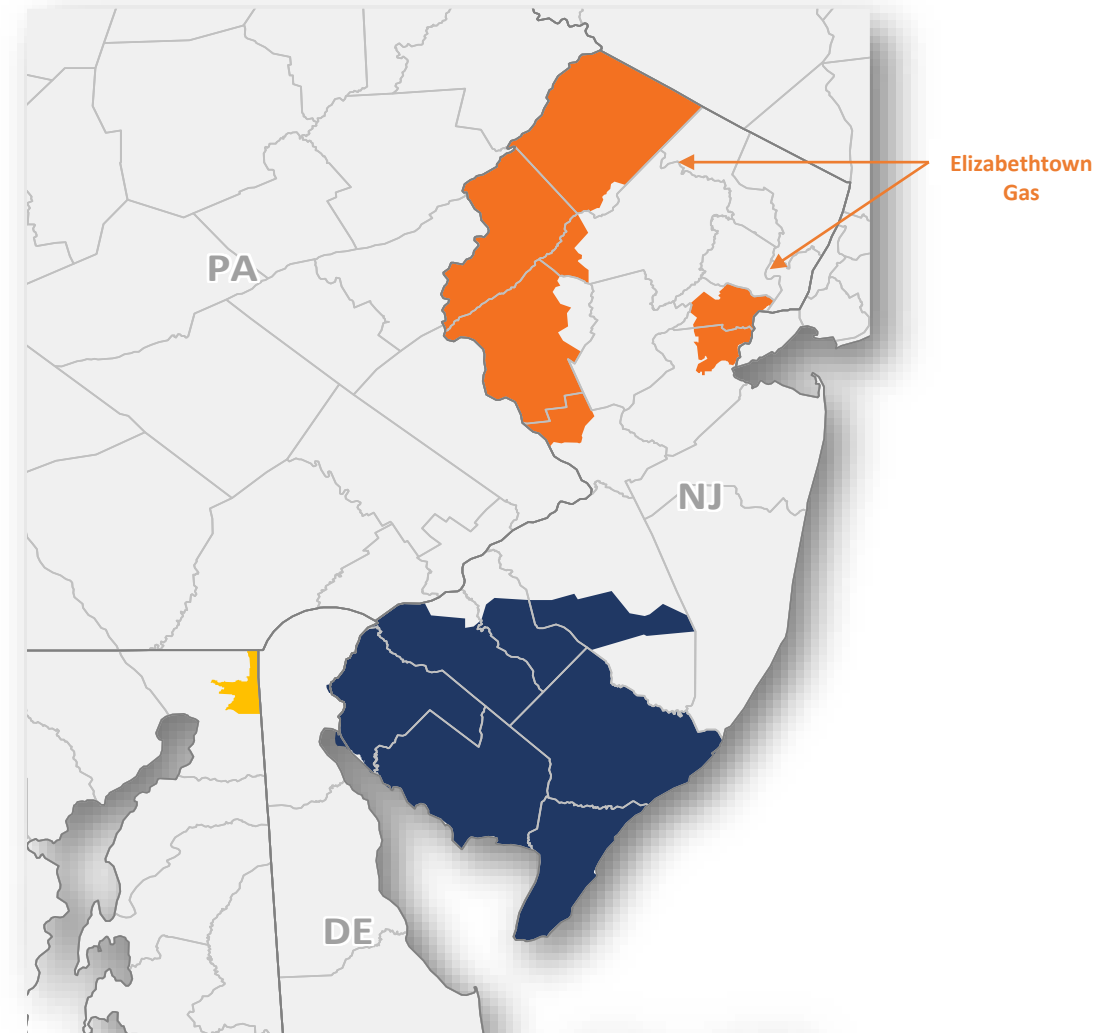
- 297,000+ customers served in northern New Jersey
- Densely populated service area in Union; Sparsely populated in Western service area
- ~3,200 miles of distribution pipeline
- Regulated by the NJ Board of Public Utilities

➤ Regulatory Construct

- Authorized rate base: ~\$1.0B
- Authorized ROE: 9.6%
- Authorized Equity Component: 51.5%
- Authorized Trackers: Weather Normalization, Infrastructure Investment Plan (IIP), Energy Efficiency Program (EEP), RAC
- Last Rate Case: \$34 million revenue increase effective 11/15/19

➤ Growth Drivers

- Customer growth – new home construction and conversions
- Multi-year infrastructure investment program
- Periodic base rate cases
- Reliability and Redundancy Projects
- Tangible growth runway extending well beyond 5-year plan



SJI Utilities | Elkton Gas (Sale Pending)

➤ Overview

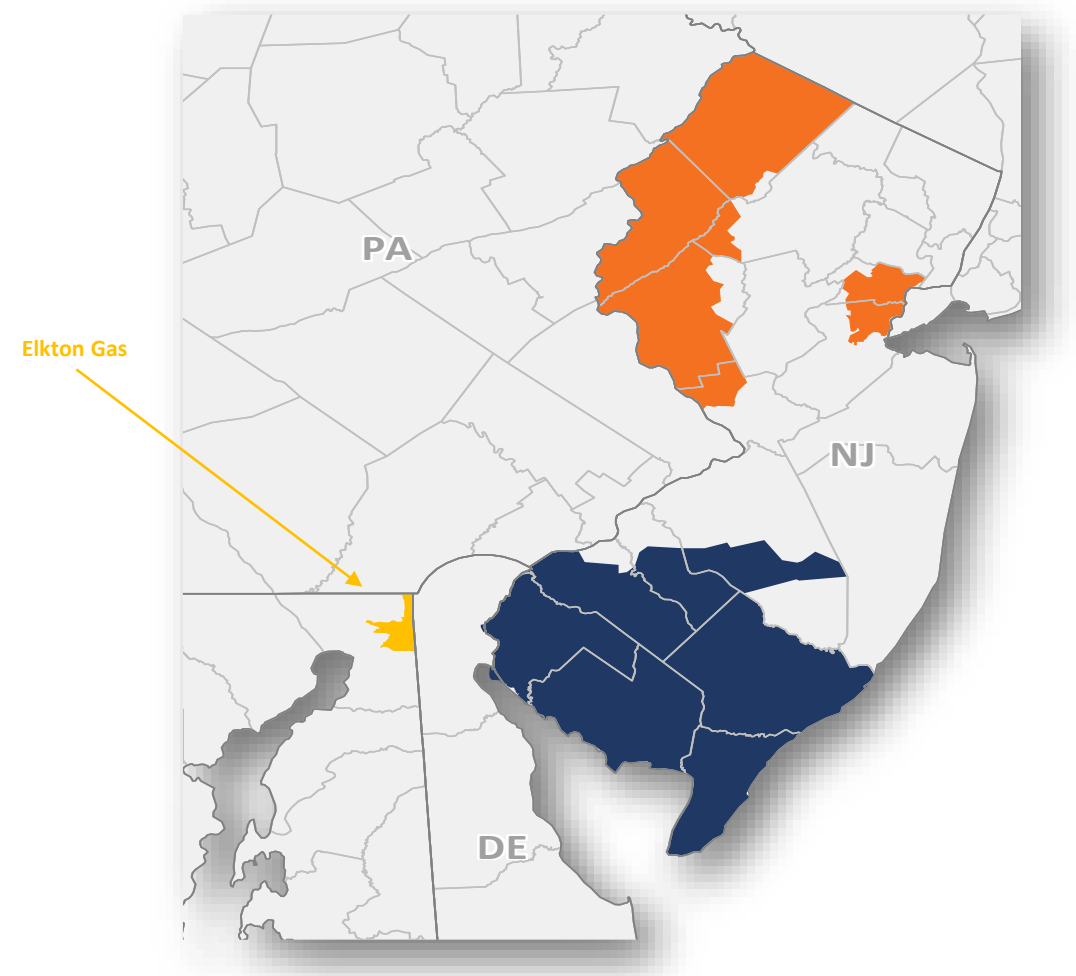
- 6,700+ customers served in northeast Maryland
- Lightly populated 64-mile Elkton service area
- ~100 miles of pipeline main
- Throughput: Residential ~30% / Commercial ~70%
- Regulated by the MD Public Service Commission (MPSC)

➤ Regulatory Construct

- Authorized Rate Base: \$9.2M
- Authorized ROE: 9.8%
- Authorized Equity: 50.0%
- Authorized Trackers: Revenue Normalization Adjustment

➤ Growth Drivers

- Last Rate Case: \$0.09M revenue increase authorized 2/19
- Stay-out for 30 months as per the Acquisition proceeding Final Order
- Beyond stay out, will seek to recover investments associated with Pipeline Remediation Plan



SJI Utilities | Safety is Our Top Priority

➤ Building A Strong Safety Culture

- Tone at the top
- DuPont Engagement – stand-up of comprehensive safety management system
- Enhanced communication and training
- Improving incident metrics – inclusion of leading indicators
- Leverage best of best

➤ Benefits of Strong Safety Culture

- More engaged workforce
- Increased employee retention
- Better recruiting
- Improved customer experience
- Lower claims costs and insurance premiums
- Fewer lost work days



SJI Utilities | Focus on Customer Experience

➤ Top JD Power Customer Satisfaction Scores

- ✓ ETG is #1 in peer group for 5th consecutive year
- ✓ SJG is #5 in same peer group

➤ Cultural Maturity Curves

- SJG Improvement Initiative - People, Processes and Technology
- ETG's advanced stage journey

➤ Benefits of Strong Customer Culture

- Enhanced customer growth
- Self-service options lower labor costs
- Lower un-collectibles
- More engaged workforce
- Increased employee retention
- Reduced customer attrition
- Builds trust, credibility and brand awareness



CUSTOMER GROWTH

Customer Growth | South Jersey Gas (SJG)

➤ Long Track Record of Strong Customer Growth

- SJG customer base grew 1.5% annually from 2009-2019
- Above-average growth achieved despite varying local economic conditions
- Conversions from alternate fuels, including heating oil and propane, outpacing new construction adds for a decade
- 90%+ of new customers are residential, representing ~65% of utility gross margin

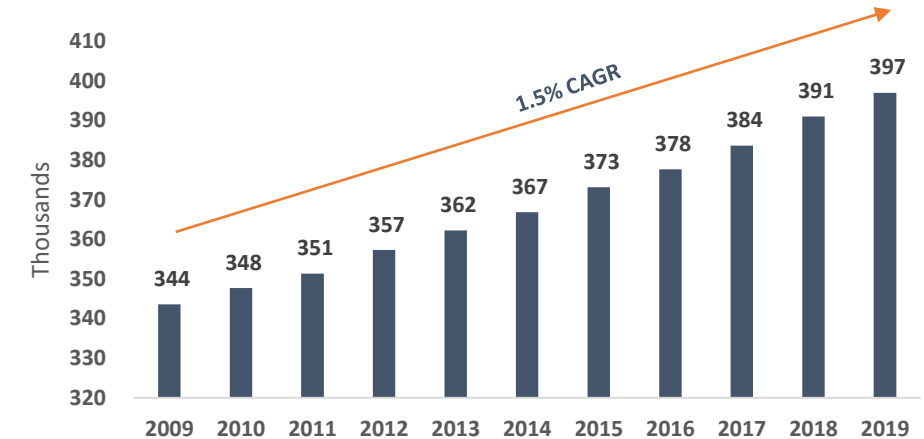
➤ Conversion Opportunity

- Residential Conversions (single family homes)
 - On Main – ~25,000
 - Off Main – ~35,000
- Commercial Conversions
 - On Main – ~5,000
 - Off Main – ~1,700

➤ Future Growth

- **Expected 1.6% annualized growth 2018-2022**
- Innovation, partnerships and strategies position us well for future growth
- Continuation of successful “off main” approach
- More robust partnerships with the HVAC contractor network

South Jersey Gas (SJG)
Customer Growth



Customer Growth | Elizabethtown Gas (ETG)

➤ Track Record of Positive Customer Growth

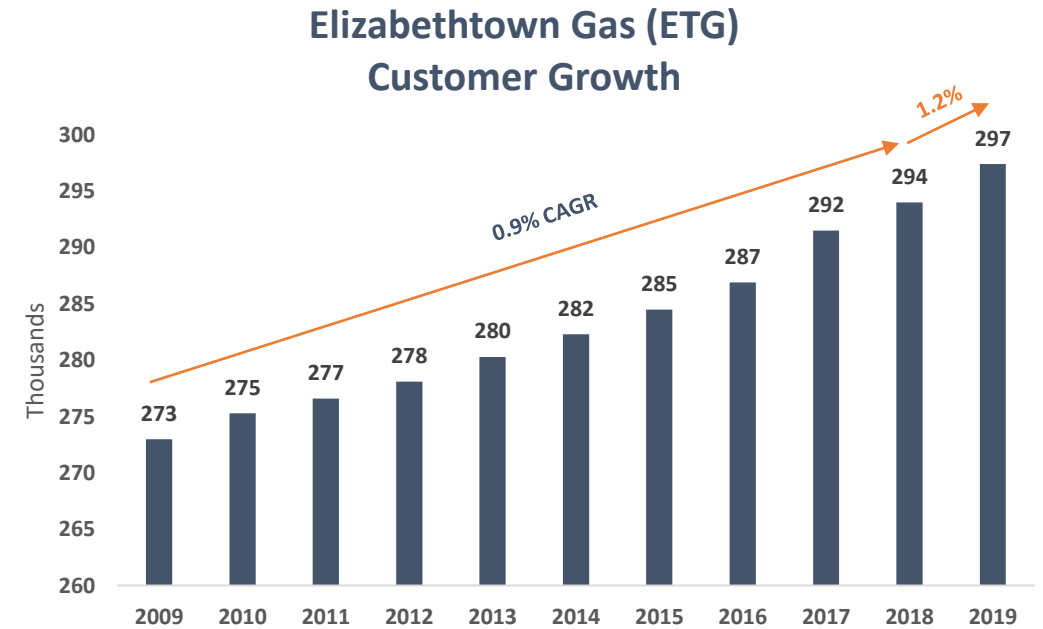
- ETG customer base grew 0.9% annually from 2009-2019, generally in line with the peer average
- Balanced mix of new construction and conversions from alternate fuels, including heating oil and propane

➤ Conversion/Additional Load Opportunity

- Residential Conversions (single family homes)
 - Primary Target: ~35,000 customers have gas service, but not currently using for heating
 - On Main:
 - Residential ~26,900
 - Commercial ~8,500

➤ Future Growth

- **Expected 1.4% annualized growth 2018-2022**
- Opportunity to significantly increase 5-year customer growth rate closer to SJG rate (~1.6%) driven by enhanced focus on conversion opportunities
- Identifying and pursuing opportunities to introduce natural gas for new/different applications



REGULATORY INITIATIVES

Regulatory Initiatives | Infrastructure Modernization

➤ SJG: Accelerated Infrastructure Replacement Program (AIRP; 2013-Present)

- Authorized program by NJBPU designed to continue efforts to enhance the safety and reliability of SJG's infrastructure system
- AIRP I: \$141M from 2013-2016 replaced ~360 miles of bare steel and cast-iron mains
- AIRP II: Approved in 2016, \$302.5M from 2016-2021 to replace remaining cast iron and bare steel
- Timely recovery of investment on an annual basis through a separate rider recovery mechanism, with new rates effective on October 1
- **Current Status: On track to complete replacement of all remaining bare steel and cast iron main by 2021**

➤ SJG: Storm Hardening and Reliability Program (SHARP; 2014-Present)

- Following major storms, authorized program by NJBPU to replace low pressure mains in coastal regions
- SHARP I: \$103.5M from 2014-2017 replaced 92 miles of coastal infrastructure
- SHARP II: Approved in 2018, \$100M from 2018-2021 focused on 4 targeted system enhancement projects within the barrier islands
- Timely recovery of investment on an annual basis through a separate rider recovery mechanism, with new rates effective on October 1
- **Current Status: On track to complete project queue by 2021**

➤ ETG: Infrastructure Investment Program (IIP; 2019-2024)

- Consistent with acquisition approval, SJI was required to develop a plan to address remaining aging infrastructure at ETG
- ETG system has more than 425 miles of aging cast iron and bare steel pipeline
- In June 2019, NJBPU authorized \$300M, five-year infrastructure replacement program effective July 1, 2019 through June 30, 2024
- Authorized IIP program includes replacement of up to 250 miles of cast iron and bare steel mains and related services in ETG system, as well as installation of excess flow valves on new service lines
- Timely recovery of investment on annual basis through separate rider recovery mechanism, with new rates effective on October 1
- **Current Status: On track to complete replacement of 250 miles of cast iron and bare steel main by 2024**

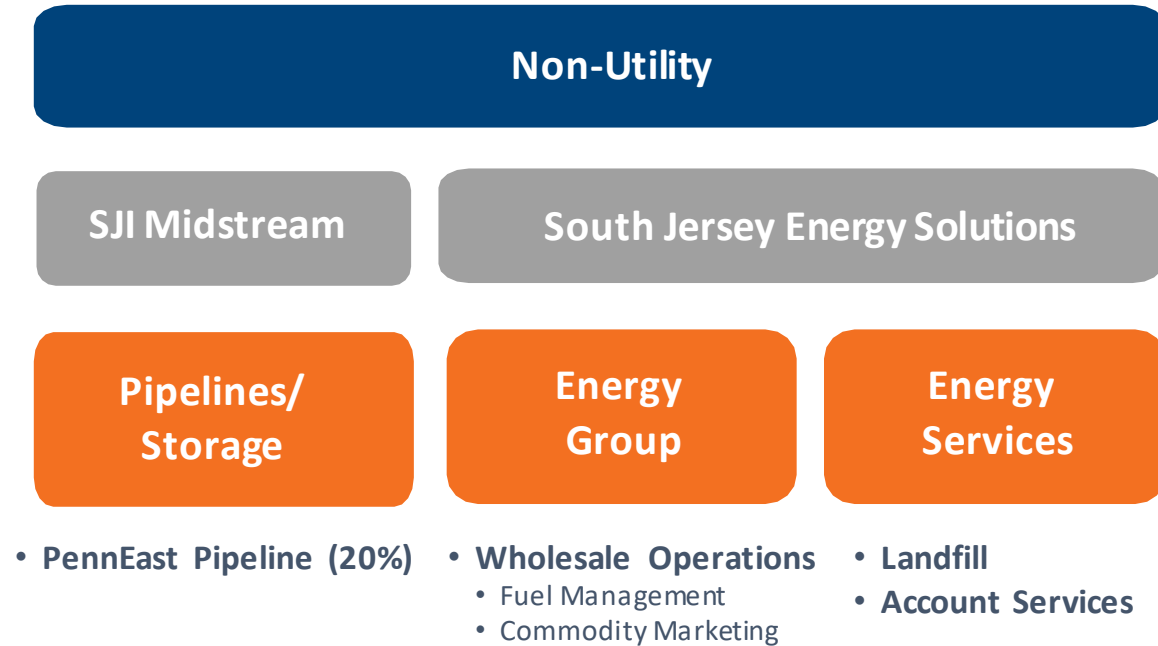
Regulatory Initiatives | Calendar

Company	Filing Type	Objective	Filing/Submitted Date	Expected Outcome Date
Elizabethtown Gas	Base Rate Case	System Reliability and Growth	Filed April 2019	Effective November 15, 2019
South Jersey Gas	Engineering/Route Approval For LNG Redundancy Project	Supply Redundancy	Filed December 2019	Q2 2020
South Jersey Gas	Base Rate Case	System Reliability and Growth	Filed March 2020 *	Q4 2020
South Jersey Gas / Elizabethtown Gas	Annual Recovery of Infrastructure Programs	Safety and Modernization	Q2 2020	Q4 2020
South Jersey Gas	Extension of Infrastructure Replacement Program	Safety and Modernization	Q4 2020	Q2 2021

South Jersey Gas (SJG)	Authorized	Requested *
New Rates Requested	Jan 27, 2017	Mar 13, 2020
Rate Relief	\$39.5M	\$75.3M
Rate Base	\$1.6B	\$2.2B
Overall Rate of Return (ROR)	6.8%	7.3%
Return on Equity (ROE)	9.6%	10.4%
Equity Capital Structure	52.5%	54.2%
Test Year Ending	Aug 31, 2017	Jun 30, 2020
New Rates Effective	Nov 1, 2017	Estimated Q4 2020

NON-UTILITY OPERATIONS

Non-Utility Operations | Overview



- ❖ Complementary, non-utility businesses that support our utility operations
- ❖ Provide positive net income while remaining modest portion of SJI overall earnings
- ❖ Energy Group, Energy Services and Midstream
- ❖ Key earnings drivers include fuel management/commodity marketing and AFUDC from PennEast Pipeline investment

Non-Utility Operations | Midstream

➤ Project Description

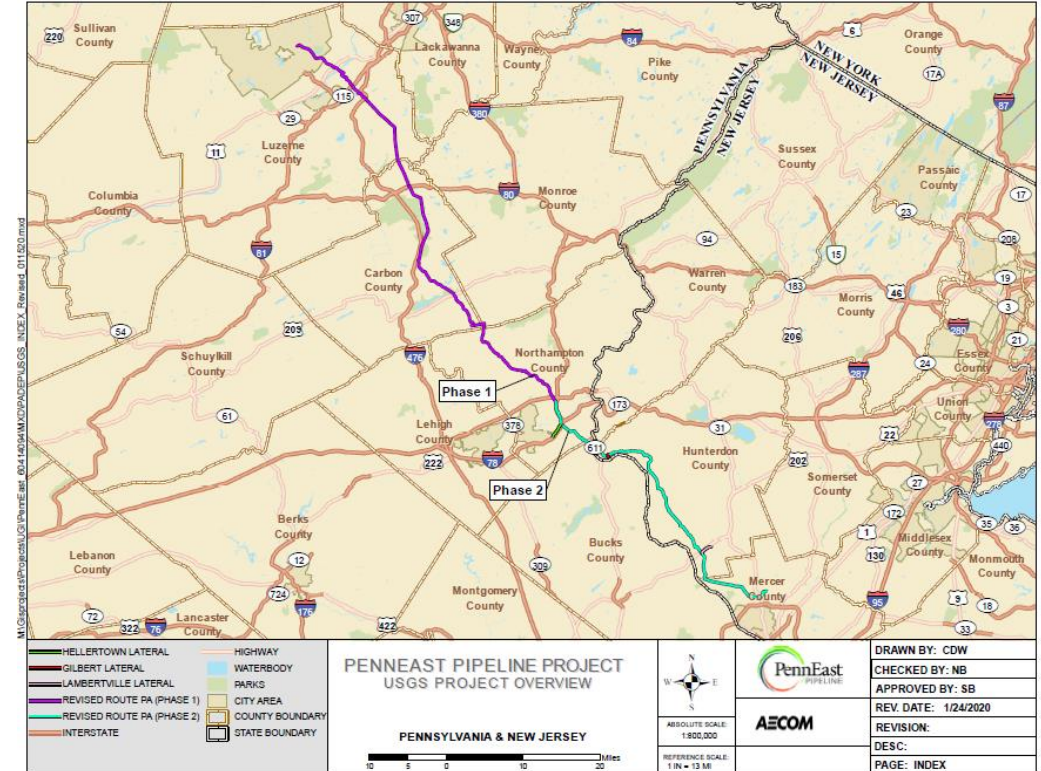
- 20% equity owner in 1.1 Bcf/d, 120-mile interstate pipeline from Marcellus region of Pennsylvania into New Jersey
- Access to low cost supply; benefits customers and local economies
- \$200M+ investment with FERC level returns projected
- 100%+ subscribed; 80%+ capacity under 15-year agreements

➤ Recent Actions

- On January 30, the FERC granted, in part, PennEast's petition for a Declaratory Order requesting the Commission's interpretation of the Natural Gas Act, in light of the Third Circuit's decision that PennEast was barred from bringing an eminent domain lawsuit in federal court against the state of New Jersey or its agencies.
- On January 31, PennEast filed with the FERC a request for an amendment of the certificate to allow the Project to proceed on a phased basis.
 - Phase One would consist of 68-miles of 36-inch pipe, constructed entirely within Pennsylvania and ready to deliver natural gas by November 2021.
 - Phase Two portion would include the remaining route in Pennsylvania and New Jersey, with a targeted completion of 2023.
- On February 18, PennEast filed a Petition for Certiorari with the US Supreme Court to review the Third Circuit's decision.

➤ Current Status

- The PennEast member companies remain fully committed to the project and the affordable, reliable service it will bring to the region, including nine million Garden State residents



Non-Utility Operations | Energy Group & Energy Services

ENERGY GROUP

➤ Fuel Supply Management

- Natural gas supply to new and existing merchant generation facilities on multi-year contracts
- Services offered are firm supply of fuel to the plant along with daily and intra-day swing service
- Portfolio of 10 contracts
- Contract terms range from 2 to 17 years
- Average contract value is \$1.0 to \$1.5 million

➤ Commodity Marketing

- Purchase of natural gas from producers and marketers for sale and delivery to retail aggregators or large consumers such as merchant generators, utilities or other marketers
- Capitalize on growing gas demand, Shale production, changing dynamics of pipeline infrastructure, and weather volatility
- Efforts focused in Northeast and Mid-Atlantic regions
- Seek to maximize value of our leased transportation assets through a combination of “index plus” margin contracts, and the ability to arbitrage (i.e. limited commodity/market risk)

Fuel Supply Management Contracts							
Counterparty	Location	Capacity	Volume	In Service	Start Date	End Date	Current Term
		(MW)	(Dth/Day)				(Yrs)
Starwood	Marcus Hook, PA	750	80,000	✓	2004	2035	17
LS Power	West Deptford, NJ	738	76,700	✓	2014	2029	15
Moxie - Liberty	Bradford Co, PA	825	137,655	✓	2016	2021	5
Moxie - Patriot	Lycoming Co, PA	825	137,655	✓	2016	2020	4
Panda - Stonewall	Leesburg, VA	750	110,000	✓	2017	2022	5
Moxie - Freedom	Luzerne Co, PA	1,029	157,000	✓	2018	2028	10
Lordstown	Trumbull County, OH	1,025	160,000	✓	2018	2024	5
Invenergy	Lackawanna, PA	1,480	210,000	✓	2018	2029	10
Sunoco Refinery	Marcus Hook, PA	NA	13,000	✓	2020	2022	2
TYR Energy (Hickory Run)	Lawrence Co, PA	1,000	162,000	✓	2020	2025	5

ENERGY SERVICES

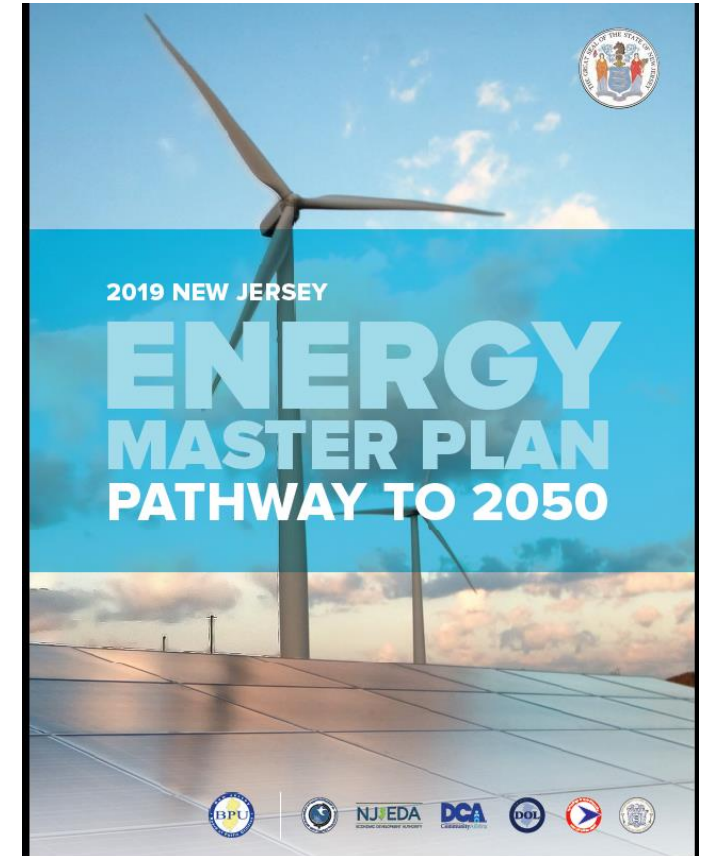
➤ Energy Production Assets

- Following non-core asset sales 2018-2020, remaining assets include landfill-to-electric, legacy solar and account services
- 2019 economic earnings of \$0.1 million
- \$100M+ solar investment planned for 2020 in support of New Jersey Energy Master Plan goals
 - SJI corporate facilities, landfill properties, community solar and other development projects

NEW JERSEY ENERGY MASTER PLAN

In January, New Jersey Governor Phil Murphy unveiled the state's updated Energy Master Plan (EMP)

- The EMP is intended to set forth a strategic vision for the production, distribution, consumption, and conservation of energy in the State of New Jersey
- The EMP is updated and revised periodically -- allows for improvements to reflect changes with technology, energy, and environmental developments and demands
- Updated EMP outlines Murphy administration's goal of 100% clean energy by 2050
- Updated EMP varies dramatically from the prior EMP in 2015 which was heavily supportive of natural gas as an abundant, clean and affordable commodity meriting aggressive expansion to homes and businesses in the state



Past Actions and Investments

❖ REDUCING ENERGY CONSUMPTION/EMISSIONS

- ✓ Replacement of aging infrastructure, improving safety and reliability for customers and reducing greenhouse gas emissions (GHG) from fugitive emissions; On track for expected reduction of 500 tons of carbon emissions at current replacement rate
- ✓ Conservation incentive program (CIP) severed the tie between volumes and margins, encouraging reductions in consumption

❖ DEPLOYMENT OF RENEWABLE ENERGY

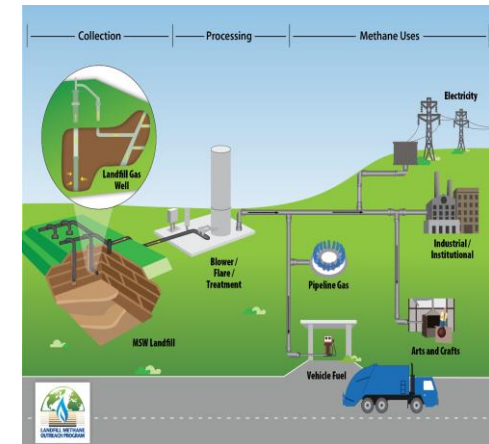
- ✓ Sizable investments in solar, combined heat-and-power (CHP), and landfill-to-electric generation

❖ MAXIMIZING ENERGY EFFICIENCY

- ✓ Energy Efficiency program (EE) designed to reduce consumption

❖ MODERNIZING VIA TECHNOLOGY

- ✓ Developed enterprise level environmental policy and management system



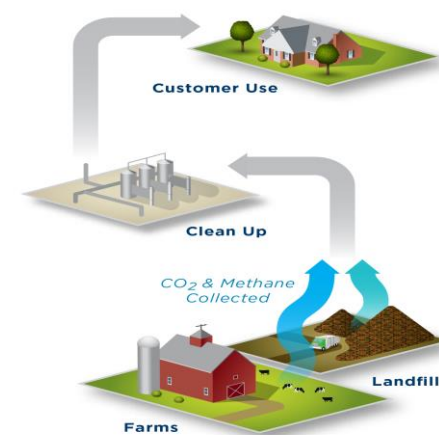
New Jersey Energy Master Plan | New Investment Opportunities

\$100+ Million Anticipated Spending in 2020 on EMP-Supportive Projects

*Solar Investment focused on SJI corporate facilities,
landfill properties, community solar and other development projects*

Targeting Additional Utility & Non-Utility Investment Opportunities:

- **REDUCING ENERGY CONSUMPTION/EMISSIONS (UTILITY SOLUTION)**
 - Acceleration/extension of NJBPU-approved infrastructure modernization programs
- **ACCELERATING DEPLOYMENT OF RENEWABLE ENERGY (UTILITY/NON-UTILITY SOLUTIONS)**
 - Renewable Natural Gas (RNG): Investment opportunities including repurposing existing landfills
 - Solar: SJI corporate facilities, landfill properties, community solar and other development projects
- **MAXIMIZING ENERGY EFFICIENCY (UTILITY SOLUTION)**
 - Expansion of existing NJBPU-approved energy efficiency programs to reduce consumption
- **MODERNIZING VIA TECHNOLOGY (UTILITY SOLUTION)**
 - Smart Meter pilot program for 700,000 utility customers to reduce consumption



2020 Financials

Business Operations Continue to Function Effectively During the Pandemic

- **WORKFORCE:** Through proper planning and the innovative use of technology, all our employees are currently working -- from employees in the field to those working from home to assist in reducing the spread of the virus.
- **OPERATIONS:** Operations and delivery of natural gas to customers has not been materially impacted. To date, SJI has not experienced significant reductions in sales volumes across our utility businesses and is closely monitoring potential impacts due to COVID-19 pandemic responses at the state and Federal level.
- **O&M:** As expected, we have incurred operating costs for emergency supplies, cleaning services, enabling technology and other specific needs during this crisis which have traditionally been recognized as prudent expenditures by our regulators. SJI incurred costs during the three months ended March 31, 2020 of \$0.6 million, with \$0.4 million being recorded as Property, Plant & Equipment on the condensed consolidated balance sheets.
- **COLLECTIONS:** To date, we have not seen a significant impact to accounts receivable but we continue to monitor this metric very closely. The impact to the collectability of accounts receivable has traditionally been included in rate recovery.
- **CAPEX:** Our investment programs to replace and upgrade critical infrastructure continue, but some construction activity has ceased in accordance with directives from the Governor of New Jersey. Looking forward, we expect an uptick in construction activity once we emerge from this crisis. We remain on track with our timeline for investment in solar in support of the goals of the New Jersey Energy Master Plan (EMP).
- **LIQUIDITY:** Total Credit Facilities: \$1.25B; \$470M available in revolving credit, uncommitted lines and cash. We completed steps in April to strengthen liquidity and ensure the funding of our 2020 capital program and feel confident in our ability to manage through the impacts of COVID-19.
- **PENSION:** No near-term cash requirements, as our portfolios were deemed to have no minimum funding requirement as of December 31, 2019.
- **REGULATORY:** NJ Board of Public Utilities (NJBPU) continues to hold regular commission agenda meetings via internet teleconference. Resolution on engineering and route proposal for SJG supply redundancy project estimated mid-2020. Resolution on SJG base rate case filing estimated Q4 2020.

2020 Financials | Q1 2020 Results

FINANCIAL PERFORMANCE

- ✓ GAAP earnings of \$1.09 per diluted share compared to \$0.94 per diluted share in 2019
- ✓ Economic Earnings of \$1.15 per diluted share compared to \$1.09 per diluted share in 2019
- ✓ Capital spending of \$114M; 99%+ allocated to growth, safety and reliability for SJG and ETG customers

REGULATORY INITIATIVES

- ✓ ETG - \$34M increase in base rates effective November 15, 2019 aided results
- ✓ SJG - Base rate case filed in March; Discovery has begun in line with expected timeline; Resolution expected Q4 2020
- ✓ Engineering/route proposal to advance critical non-pipeline supply solution for SJG pending before NJBPU

CUSTOMER GROWTH

- ✓ 9,500+ new customers added last 12 months, reflecting 1.5% annualized growth rate; 70%+ converted from heating oil or propane

INFRASTRUCTURE MODERNIZATION

- ✓ SJG and ETG infrastructure modernization programs progressing; Next rate true-ups October 1

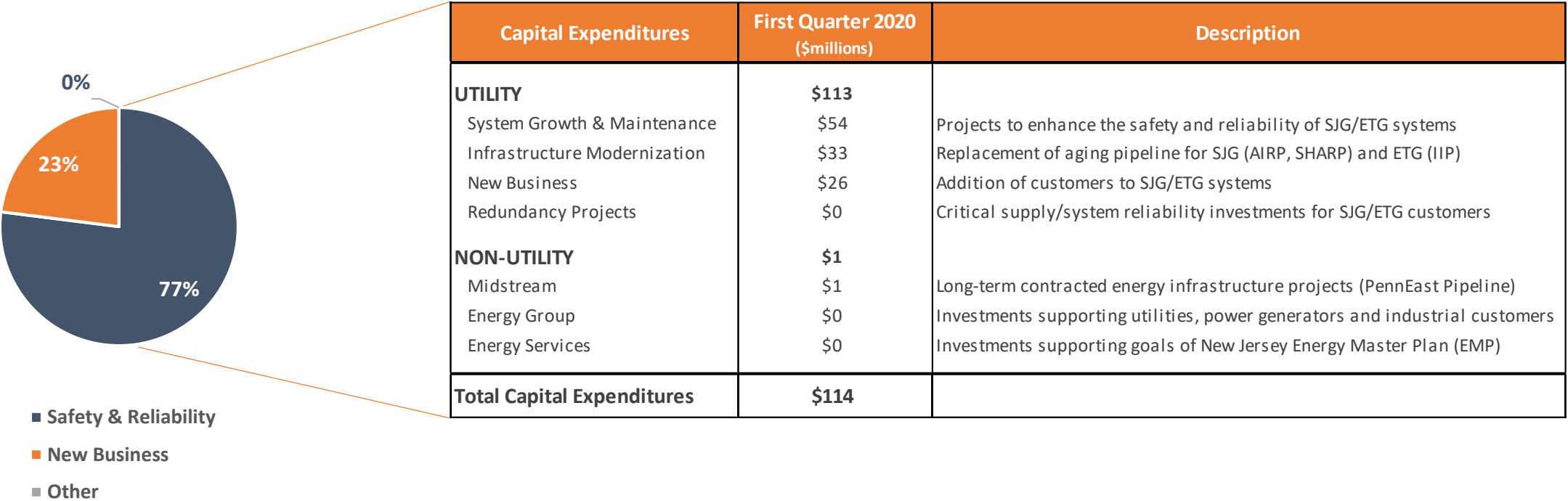
BUSINESS TRANSFORMATION

- ✓ Completed sale of Marina Thermal Facility (MTF) to DTE Energy Services for approximately \$100M
- ✓ Advanced integration of ETG, embedding best practices for people, processes and technology
- ✓ Completed exit of transition-services agreement (TSA) with Southern
- ✓ Sale of Elkton Gas to Chesapeake Utilities for \$15M progressing; Completion of transaction expected mid-2020

BALANCE SHEET

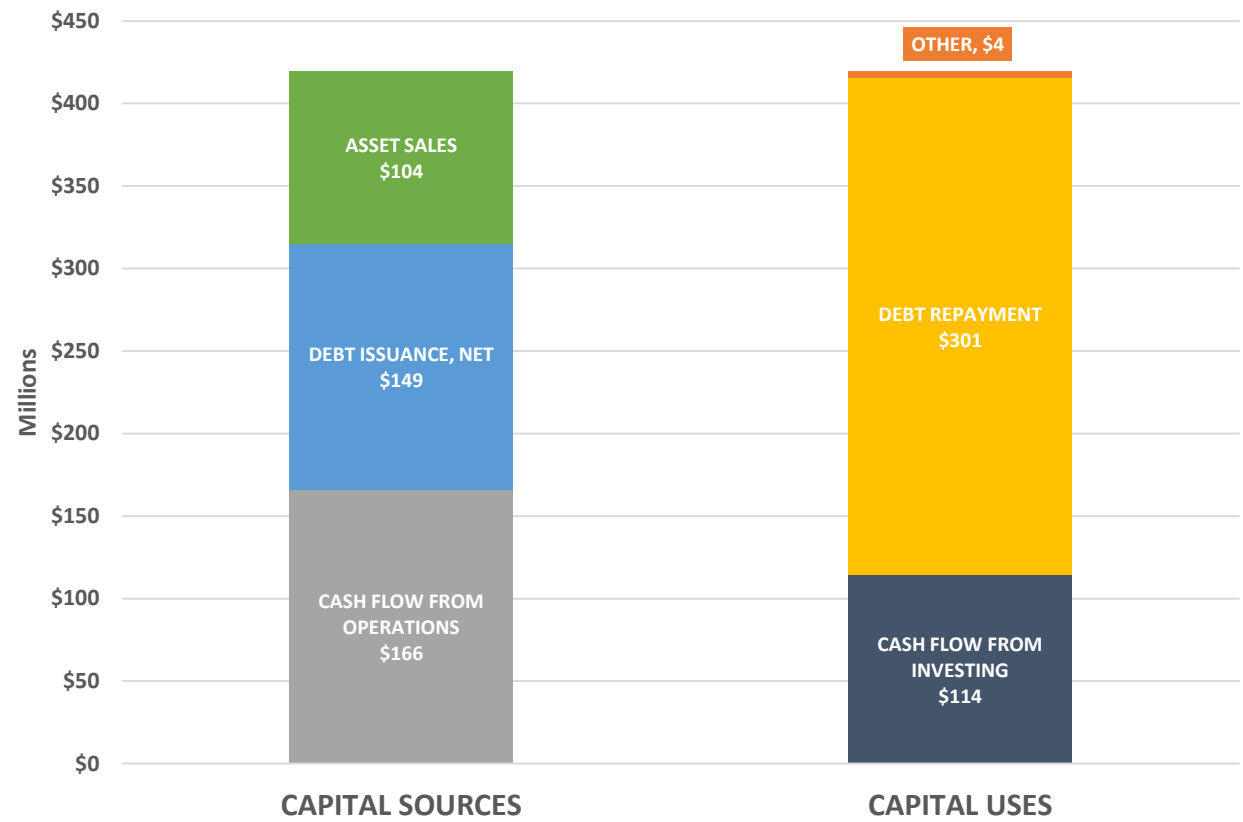
- ✓ Executed \$200M 18-month term loan, with proceeds used to pay off short-term maturities
- ✓ Added additional liquidity at the SJI level through a \$150M 364-day term loan
- ✓ \$525M private placement at SJG: \$400M to refinance maturing term loan; \$125M on six-month delay supporting 2020 capital plan
- ✓ Launched \$200M At-The-Market (ATM) program to provide flexibility in addressing 2020 equity needs

99%+ of Capital Expenditures Supporting Growth, Safety and Reliability for SJG and ETG Customers

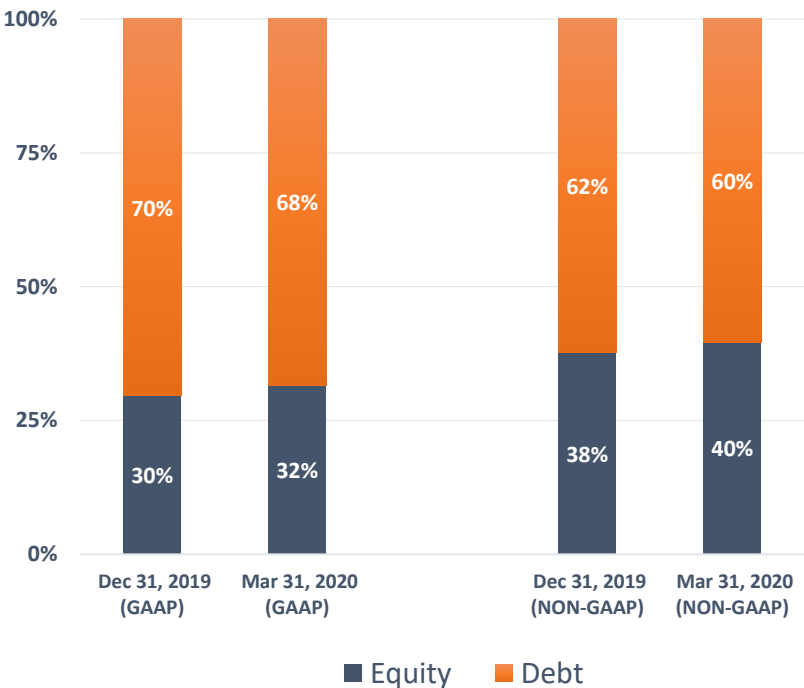


2020 Financials | Q1 2020 Financing and Capitalization

Capital Sources and Uses



Total Capitalization



Note: NON-GAAP assumes conversion of \$287.5M mandatory equity units in April 2021 and equity credit from rating agencies for long-duration debt

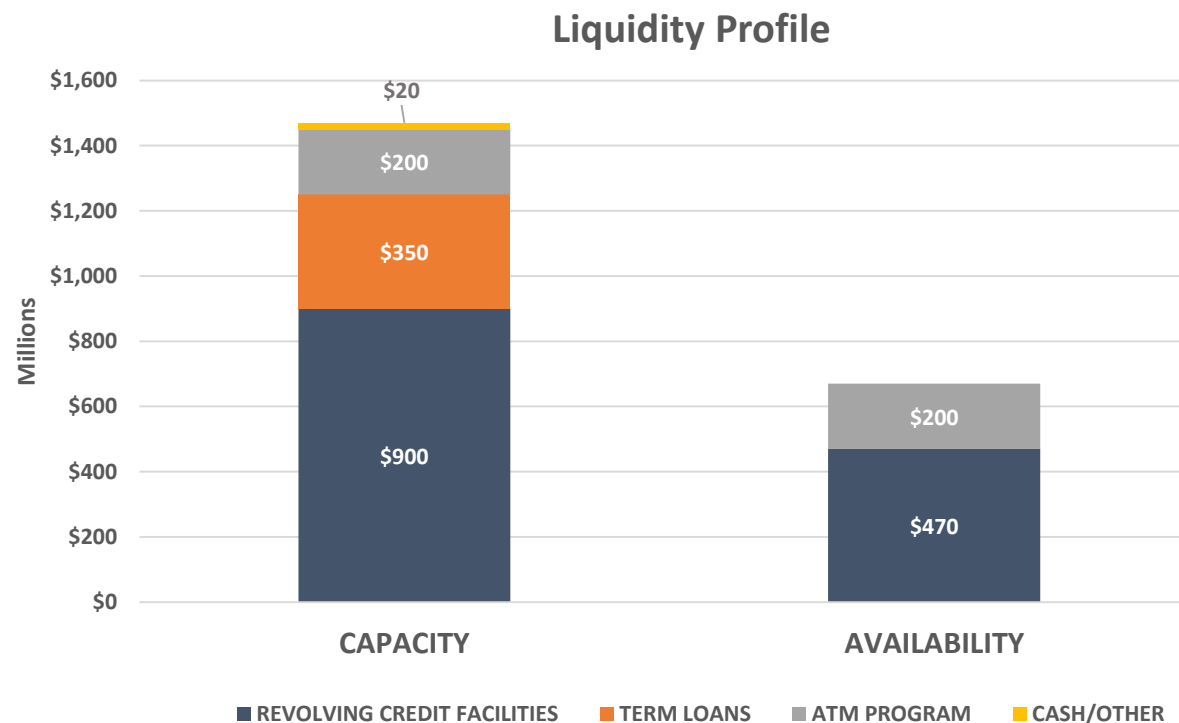
Solid Liquidity to Manage Through Impacts of COVID-19 and Support 2020 Capital Spending Requirements

REFINANCING (March/April)

- ✓ Executed \$200M 18-month term loan, with proceeds used to pay off short-term maturities
- ✓ Added additional liquidity at SJI through \$150M 364-day term loan
- ✓ \$525M private placement at SJG
 - \$400M drawn at closing to refinance maturing term loan
 - \$125M drawn on six-month delay to assist in funding 2020 capital spending plan

AT-THE-MARKET PROGRAM (April)

- ✓ Launched \$200M At-The-Market (ATM) program to provide flexibility in addressing 2020 equity needs



Note: Liquidity Profile as of May 1, 2020

2020 Guidance

2020 Guidance | Priorities

FINANCIAL PERFORMANCE

- Ongoing Economic Earnings guidance \$1.50 to \$1.60 per diluted share; ~75% from utility operations, excluding acquisition-related debt
- Continuing to monitor operations, market conditions and business development initiatives for future impacts to financial projections
- Capital spending \$600M+, with \$500M+ for growth, safety and reliability and \$100M+ targeted for solar investment
- Increase in indicated annual dividend ~3%, subject to Board approval, continuing trend toward 55-65% payout ratio target

GENERAL RATE CASES

- Execute SJG rate case consistent with historic precedent

CUSTOMER GROWTH

- 10,000+ new customers, reflecting 1.5% annualized growth rate; 70%+ conversions from oil and propane

INFRASTRUCTURE MODERNIZATION

- Execute infrastructure modernization programs for SJG and ETG, with rate true-ups on October 1
- File for extension of SJG accelerated replacement program

SUPPLY/SYSTEM REDUNDANCY

- Advance critical non-pipeline supply solution for SJG
- Complete review of critical reliability solutions for ETG

BALANCE SHEET

- Strengthening driven by asset sales and refinancing activity
- Equity issuance in support of utility redundancy project

2020 Guidance | Ongoing Economic Earnings

Ongoing Economic Earnings Guidance Primarily Reflects:

Utility operations ~75% of earnings, excluding acquisition-related interest costs

- ~\$500 million capital spending on growth, safety and reliability for SJG/ETG customers
- 10,000+ new gas utility customers, reflecting 1.5% customer growth, driven by accelerated pace at ETG
- Lower operating costs, driven by business transformation activities
- Infrastructure modernization at SJG/ETG under existing programs
- Execution of regulatory initiatives, including recovery of utility investment

Non-Utility operations ~25% of earnings, excluding acquisition-related interest costs

- Energy Services: \$100+ million on renewable solar installations in support of EMP, and landfill exit
- Energy Group: Fuel management contracts, reshaped wholesale portfolio and contract expiration
- Midstream: AFUDC associated with PennEast Pipeline project

Balance sheet strengthening, driven by asset sales and refinancing activities

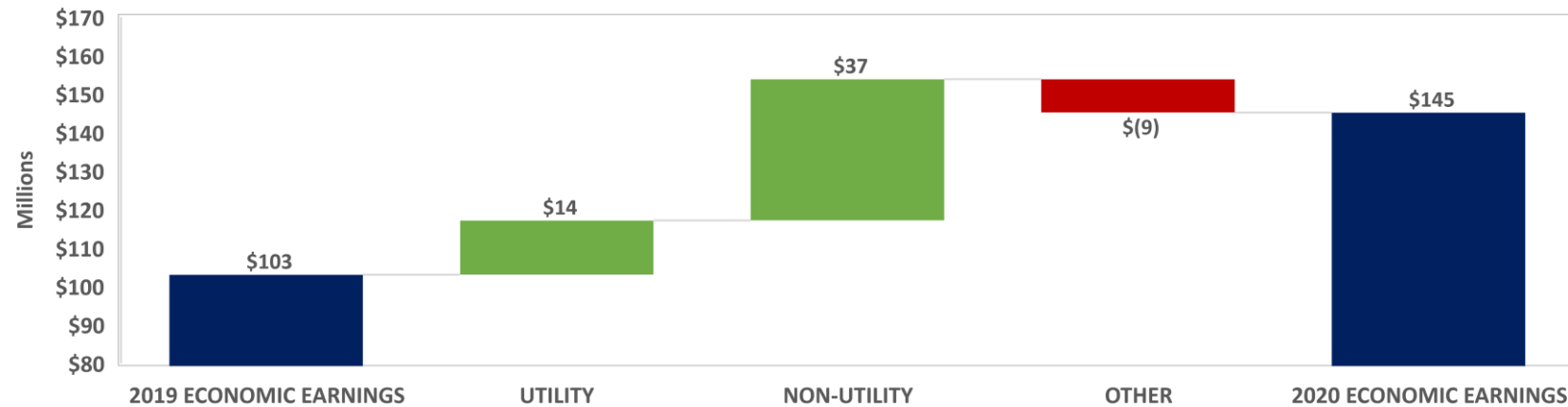
Equity issuance in support of utility redundancy project

CONSOLIDATED	2020E ECONOMIC EARNINGS (\$millions, except EPS)
UTILITY	\$130 - \$140
NON-UTILITY	\$45 - \$55
OTHER	(\$35) - (\$45)
Total	\$140 - \$150
Average Diluted Shares	93.3 - 93.7
Diluted EPS *	\$1.50 - \$1.60

Capital Expenditures	\$625 - \$655
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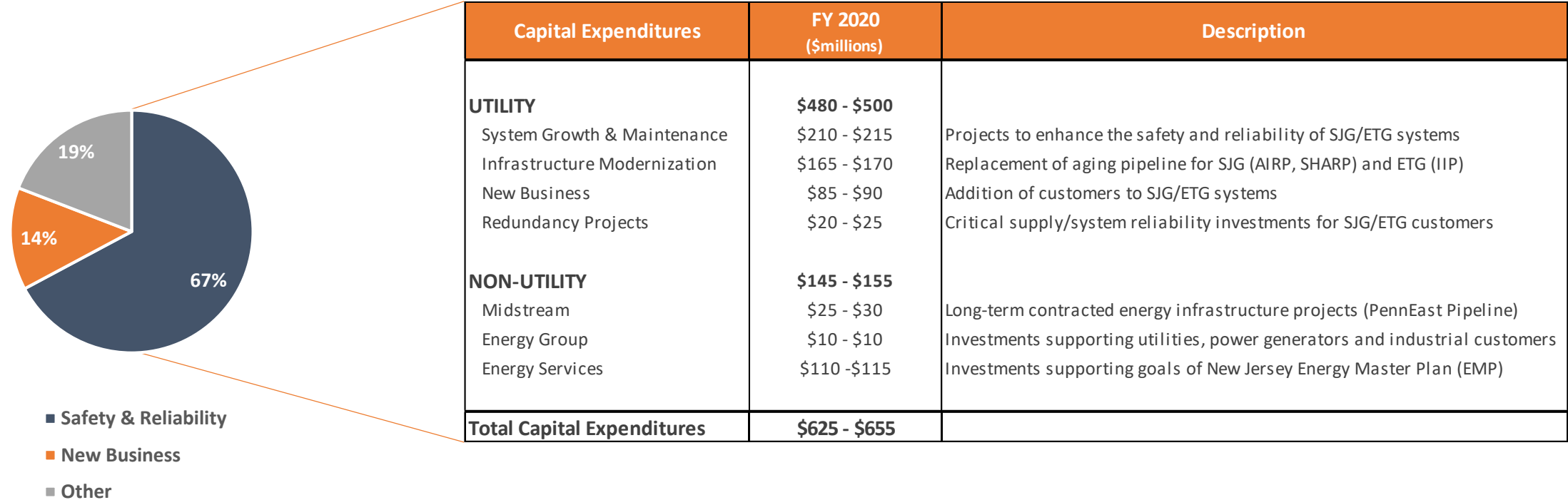
** Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for 2020 significantly above or below this outlook*

2020 Guidance | Economic Earnings Bridge - 2019 to 2020 Midpoints

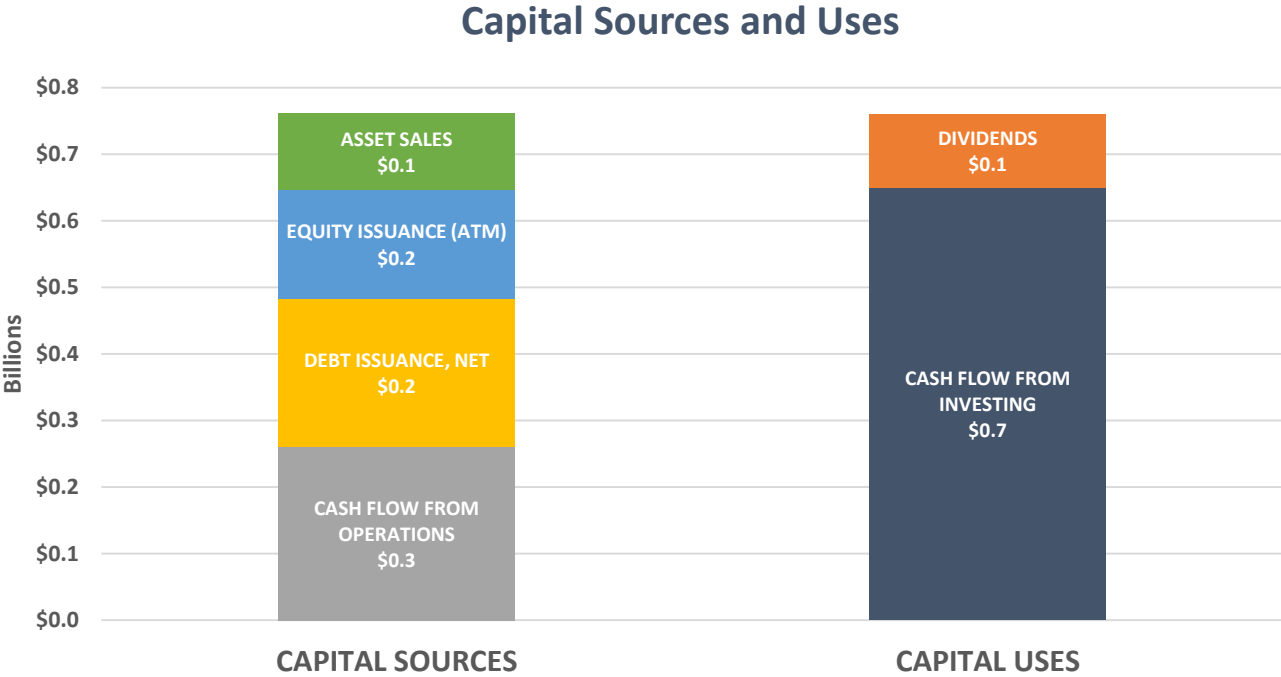


- **UTILITY:** ETG rate relief; 10,000+ new customers; infrastructure modernization investment; business transformation benefits and execution of SJG regulatory initiatives
- **NON-UTILITY:**
 - Energy Group \$10-15M driven by fuel management, reshaped wholesale portfolio and expiration of legacy contracts;
 - Energy Services \$20-\$25M driven by solar investment in support of NJ Energy Master Plan (EMP) and legacy energy production activities;
 - Midstream \$1.0M driven by AFUDC for PennEast Pipeline project
- **OTHER:** Interest on debt, including ETG/ELK acquisition debt, net of debt repayments

More Than 80% of Capital Expenditures Support Growth, Safety and Reliability for SJG and ETG Customers



Financing Plans are Reflected in Earnings and EPS Growth Estimates and Expected to Support Current Credit Metrics



Note: All amounts reflect ongoing guidance and are rounded

Q&A

