



# New Jersey Resources (NJR)

Updated February 5<sup>th</sup>, 2026 by Quinn Mohammed

## Key Metrics

<b>Current Price:</b>	\$52	<b>5 Year CAGR Estimate:</b>	11.7%	<b>Market Cap:</b>	\$5.2 B
<b>Fair Value Price:</b>	\$57	<b>5 Year Growth Estimate:</b>	7.0%	<b>Ex-Dividend Date:</b>	03/11/2026
<b>% Fair Value:</b>	92%	<b>5 Year Valuation Multiple Estimate:</b>	1.7%	<b>Dividend Payment Date:</b>	04/01/2026
<b>Dividend Yield:</b>	3.6%	<b>5 Year Price Target</b>	\$80	<b>Years Of Dividend Growth:</b>	30
<b>Dividend Risk Score:</b>	B	<b>Sector:</b>	Utilities	<b>Rating:</b>	Buy

## Overview & Current Events

New Jersey Resources provides natural gas and clean energy services, transportation, distribution, asset management and home services through its five main subsidiaries. The company owns both regulated and nonregulated operations. NJR's principal subsidiary, New Jersey Natural Gas (NJNG), owns and operates natural gas transportation and distribution infrastructure serving over half a million customers. NJR Clean Energy Ventures (CEV) invests in and operates solar projects, to provide customers with low-carbon solutions. NRJ Energy Services manages a portfolio of natural gas transportation and storage assets, as well as provides physical natural gas services to customers in North America. The midstream subsidiary owns and invests in several large midstream gas projects. Finally, the home services business provides heating, central air conditioning, water heaters, standby generators, and solar products to residential homes. New Jersey Resources was founded in 1952 and has paid a quarterly dividend since. The company has increased its annual dividend for 30 consecutive years and has a market capitalization of \$5.2 billion. NJR trades on the NYSE and has more than 1,300 employees.

On November 25<sup>th</sup>, 2024, NJR sold its 91MW residential solar portfolio to Spruce Power Holdings Corporation (SPRU) for \$132.5 million, which it used to pay down debt and for working capital.

New Jersey Resources reported first quarter 2025 results on February 2<sup>nd</sup>, 2026, for the period ending December 31, 2025. Consolidated net financial earnings (NFE) amounted to \$118 million, compared to \$129 million in Q1 2025 and NFE per share of \$1.17 compared to \$1.29 per share one year ago.

Management increased its guidance for fiscal 2026, now seeing NFEPS in the range of \$3.28 to \$3.43. New Jersey Natural Gas (NJNG) is now expected to contribute 62 to 67 percent of NFEPS in FY 2026, while Clean Energy Ventures (CEV) will contribute 9 to 14 percent. Finally, a combination of Storage and Transportation, Energy Services, and Home Services and Other will make up 20 to 31 percent.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>NFEPS</b>	\$1.60	\$1.73	\$2.74	\$1.96	\$2.07	\$2.16	\$2.50	\$2.70	\$2.95	\$3.29	<b>\$3.36</b>	<b>\$4.71</b>
<b>DPS</b>	\$0.96	\$1.02	\$1.09	\$1.17	\$1.27	\$1.32	\$1.48	\$1.56	\$1.68	\$1.80	<b>\$1.90</b>	<b>\$2.42</b>
<b>Shares</b>	86.7	87.1	88.3	89.6	95.1	96.2	96.2	98.2	100.0	101.0	<b>102.0</b>	<b>108.0</b>

New Jersey Resources measures its performance and its payout ratio using Net financial earnings (NFE) per share. NFE is implemented to eliminate the impact of volatility to GAAP earnings associated with unrealized gains or losses on derivative instruments. In fiscal 2021, the business adopted an accounting policy change around its solar projects. This set the foundation for further investments in solar. Management continues to project a 7% to 9% annual long-term earnings growth rate. With the sale of NJR's residential solar portfolio, CEV will now focus on commercial solar growth. It currently has approximately 489 MW commercial solar capacity.

We are projecting 7.0% annual earnings growth over the intermediate term, which would result in NFEPS of \$4.71 in 2031. NJR's capital plan includes \$4.8 billion to \$5.2 billion through 2030, an approximately 40% increase over the last five years, with 60% of this aimed towards utility investment.

*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*



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## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	21.9	23.7	15.9	23.8	16.3	18.1	17.5	17.9	14.8	14.2	15.6	17.0
Avg. Yld.	2.7%	2.5%	2.5%	2.5%	3.8%	3.3%	3.2%	3.0%	3.8%	3.8%	3.6%	3.0%

The current P/E ratio based on forecasted 2026 NFEPS of \$3.36 is 15.6. Over the last ten and five years, NJR has averaged a P/E ratio of 18.4 and 16.5, respectively. We peg fair value at 17.0 times forecast NFEPS, implying a 1.7% valuation tailwind.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

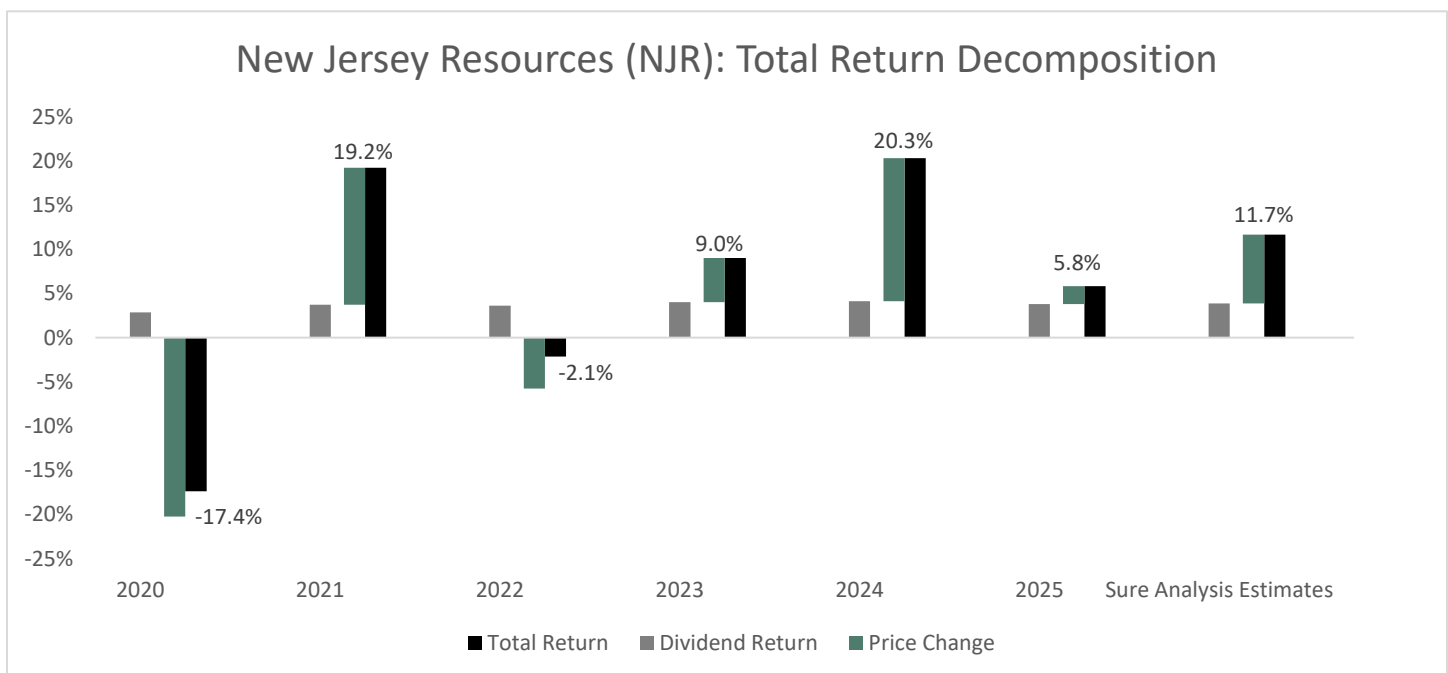
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	60%	59%	40%	60%	61%	61%	59%	58%	57%	55%	57%	51%

The dividend payout ratio for the company on a net financial earnings basis appears to be very safe historically, especially for a utility company which can often safely pay out a large portion of earnings. We expect the company will continue to increase the dividend without a hitch. The company was not horribly affected by the Great Recession given the nature of its business as both earnings and the share price recuperated quickly. Through the COVID-19 pandemic, the company also remained solid. The company does not have a significant competitive advantage; however, its growing solar portfolio can set it apart from other natural gas players. Though the practice of integrating renewable assets in older energy companies has become common practice, NJR was at least ahead of the pack.

## Final Thoughts & Recommendation

New Jersey Resources has paid a dividend since 1952 and has raised this dividend every year for the last 30 years. NJR has many growth initiatives in motion and a clear vision of its future, particularly for its natural gas and clean energy ventures. We are forecasting total annual returns of 11.7%, comprised of a 3.6% yield, 7.0% NFEPS growth, and 1.7% P/E multiple expansion. New Jersey Resources is trading at 92% of fair value, and with forecasted total annualized returns of 11.7%, we are upgrading the stock to a buy rating.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenue</b>	1881	2269	2915	2592	1954	2157	2906	1963	1797	2033
<b>Gross Profit</b>	320	343	325	280	371	438	595	610	685	436
<b>Gross Margin</b>	17.0%	15.1%	11.1%	10.8%	19.0%	20.3%	20.5%	31.1%	38.1%	21.4%
<b>D&amp;A Exp.</b>	39	40	39	34	35	38	59	153	167	187
<b>Operating Profit</b>	73	82	86	81	107	111	129	407	458	436
<b>Operating Margin</b>	8.9%	7.5%	6.9%	6.3%	11.7%	13.4%	14.0%	20.7%	25.5%	21.4%
<b>Net Profit</b>	132	132	233	124	163	118	275	265	290	336
<b>Net Margin</b>	7.0%	5.8%	8.0%	4.8%	8.3%	5.5%	9.5%	13.5%	16.1%	16.5%
<b>Free Cash Flow</b>	-212	-78	20	-332	-257	-234	-275	-61.9	-143.9	-191.8
<b>Income Tax</b>	24	18	-54	18	36	33	76	49	85	97

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	3719	3929	4144	4373	5316	5722	6261	6537	6982	7579
<b>Cash &amp; Equivalents</b>	38	2	1	3	117	5	1	1	1	10
<b>Accounts Receivable</b>	143	196	205	139	134	213	222	98	106	122
<b>Inventories</b>	217	214	199	184	188	213	294	227	238	259
<b>Goodwill &amp; Int. Ass.</b>	0	41	23	16	15	11	8	8	11	0
<b>Total Liabilities</b>	2552	2692	2725	2821	3673	4091	4444	4547	4781	5187
<b>Accounts Payable</b>	248	258	348	268	238	395	392	204	228	268
<b>Long-Term Debt</b>	1238	1428	1456	1584	2412	2612	2984	3136	3360	3568
<b>Shareholder's Equity</b>	1167	1237	1419	1552	1644	1631	1817	1991	2200	2392
<b>D/E Ratio</b>	2.19	2.18	1.92	1.82	2.23	2.51	1.64	1.58	1.53	1.58

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	3.8%	3.5%	5.8%	2.9%	3.4%	2.1%	4.6%	4.1%	4.3%	4.6%
<b>Return on Equity</b>	11.6%	11.0%	17.6%	8.3%	10.2%	7.2%	15.9%	13.9%	13.8%	14.6%
<b>ROIC</b>	5.9%	5.2%	8.4%	4.1%	4.5%	2.8%	6.1%	5.3%	5.4%	5.7%
<b>Shares Out.</b>	87	87	88	89.6	95.1	96.2	96.5	97.6	99.3	100.8
<b>Revenue/Share</b>	21.69	26.03	33.01	28.93	20.54	22.33	30.12	20.11	18.09	20.17
<b>FCF/Share</b>	-2.44	-0.89	0.23	-3.70	-2.70	-2.42	-2.85	-0.63	-1.45	-1.90

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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