



A reconciliation of net income to NFE for the three and six months ended March 31, 2024 and 2023, is provided below.

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2024	2023	2024	2023
Net income	\$ 120,812	\$ 110,247	\$ 210,223	\$ 226,168
Add:				
Unrealized loss (gain) on derivative instruments and related transactions	25,457	13,971	20,057	(17,532)
Tax effect	(6,049)	(3,320)	(4,767)	4,167
Effects of economic hedging related to natural gas inventory	(2,845)	(11,203)	(19,073)	12,769
Tax effect	676	2,662	4,533	(3,035)
Gain on equity method investment	—	(200)	—	(200)
Tax effect	—	50	—	50
NFE tax adjustment	525	103	47	207
Net financial earnings	<u>\$ 138,576</u>	<u>\$ 112,310</u>	<u>\$ 211,020</u>	<u>\$ 222,594</u>
Weighted Average Shares Outstanding				
Basic	98,377	96,893	98,123	96,689
Diluted	99,102	97,556	98,839	97,346
Basic earnings per share	\$ 1.23	\$ 1.14	\$ 2.14	\$ 2.34
Add:				
Unrealized loss (gain) on derivative instruments and related transactions	0.25	0.14	0.20	(0.18)
Tax effect	(0.06)	(0.03)	(0.05)	0.04
Effects of economic hedging related to natural gas inventory	(0.03)	(0.12)	(0.19)	0.13
Tax effect	0.01	0.03	0.05	(0.03)
NFE tax adjustment	0.01	—	—	—
Basic net financial earnings per share	<u>\$ 1.41</u>	<u>\$ 1.16</u>	<u>\$ 2.15</u>	<u>\$ 2.30</u>

NFE is a measure of earnings based on the elimination of timing differences to effectively match the earnings effects of the economic hedges with the physical sale of natural gas, Solar Renewable Energy Certificates (SRECs) and foreign currency contracts.



#### Customer Growth:

NJNG added 4,058 new customers during the first six months of fiscal 2024, compared with 4,064 during the same period of fiscal 2023. NJNG expects these new customers to contribute approximately \$3.4 million of incremental utility gross margin on an annualized basis.

#### Base Rate Filing:

On January 31, 2024, NJNG filed a base rate case with the BPU, seeking a \$222.6 million increase to its base rates. The filing is based on an overall return of 7.57 percent with a return on equity of 10.42 percent. The proposed increase reflects a 55.42 percent common equity component.

#### Infrastructure Update:

NJNG's Infrastructure Investment Program (IIP) is a five-year, \$150 million accelerated recovery program that began in fiscal 2021. IIP consists of a series of infrastructure projects designed to enhance the safety and reliability of NJNG's natural gas distribution system. During the first six months of fiscal 2024, NJNG spent \$13.7 million under the program on various distribution system reinforcement projects.

On March 28, 2024, NJNG submitted its annual IIP filing to the BPU requesting a rate increase for capital expenditures of \$43.5 million through June 30, 2024, which will result in a \$5.6 million revenue increase, with a proposed effective date of October 1, 2024.

#### Basic Gas Supply Service (BGSS) Incentive Programs:

BGSS incentive programs contributed \$7.9 million to utility gross margin in the second quarter of fiscal 2024, compared with \$5.8 million during the same period of fiscal 2023. This increase for the second quarter was due primarily to higher margins from off-system sales. During the first six months of fiscal 2024, these programs contributed \$13.3 million to utility gross margin, compared with \$14.5 million during the same period in fiscal 2023.

For more information on utility gross margin, please see "Non-GAAP Financial Information" below.

#### Energy-Efficiency Programs:

SAVEGREEN invested \$33.4 million year-to-date in fiscal 2024 in energy-efficiency upgrades for customers' homes and businesses. NJNG recovered \$15.1 million of its outstanding investments during the first six months of fiscal 2024 through its energy efficiency rate.

CEV reported second-quarter fiscal 2024 net financial loss of \$(5.6) million, compared with a net financial loss of \$(9.4) million during the same period in fiscal 2023. The decrease in net financial loss for the second quarter of fiscal 2024 was largely due to the recognition of Investment Tax Credits associated with solar sale leaseback financing transactions. Fiscal 2024 year-to-date NFE was \$4.9 million, compared with a net financial loss of \$(13.0) million during the same period in fiscal 2023. The increase in fiscal 2024 year-to-date NFE was due primarily to higher SREC and TREC revenue for the period.

#### Solar Investment Update:

- As of March 31, 2024, CEV had approximately 474MW of solar capacity in service in New Jersey, New York, Connecticut, Rhode Island, Indiana, and Michigan.







**NEW JERSEY RESOURCES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(Unaudited)*

<i>(Thousands, except per share data)</i>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2024</b>	2023	<b>2024</b>	2023











<i>(Unaudited)</i> <i>(Thousands, except customer, RECs and megawatt)</i>	<b>Three Months Ended</b> <b>March 31,</b>		<b>Six Months Ended</b> <b>March 31,</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
<b>CLEAN ENERGY VENTURES</b>				
<b>Operating Revenues</b>				
SREC sales	\$ 100	\$ 6,237		