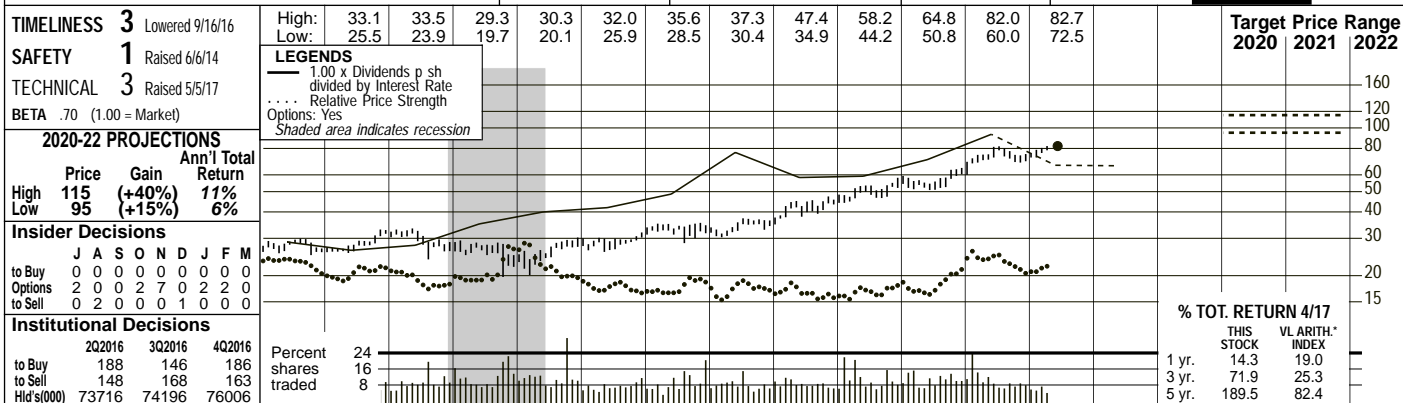


## Exhibit No. 53

# ATMOS ENERGY CORP. NYSE-ATO

RECENT PRICE **82.09** P/E RATIO **22.2** (Trailing: 22.7; Median: 16.0) RELATIVE P/E RATIO **1.14** DIV'D YLD **2.3%** VALUE LINE



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	20-22
Revenues per sh <sup>A</sup>	66.03	79.52	53.69	53.12	48.15	38.10	42.88	49.22	40.82	32.23	28.20	28.65	45.85
"Cash Flow" per sh	4.14	4.19	4.29	4.64	4.72	4.76	5.14	5.42	5.81	6.19	6.55	6.75	7.55
Earnings per sh <sup>AB</sup>	1.94	2.00	1.97	2.16	2.26	2.10	2.50	2.96	3.09	3.38	3.65	3.80	4.50
Div'ds Decl'd per sh <sup>C</sup>	1.28	1.30	1.32	1.34	1.36	1.38	1.40	1.48	1.56	1.68	1.80	1.92	2.30
Cap'l Spending per sh	4.39	5.20	5.51	6.02	6.90	8.12	9.32	8.32	9.61	10.46	11.00	11.35	12.75
Book Value per sh	22.01	22.60	23.52	24.16	24.98	26.14	28.47	30.74	31.48	33.32	37.10	37.15	38.50
Common Shs Outst'g <sup>D</sup>	89.33	90.81	92.55	90.16	90.30	90.24	90.64	100.39	101.48	103.93	107.00	110.00	120.00
Avg Ann'l P/E Ratio	15.9	13.6	12.5	13.2	14.4	15.9	15.9	16.1	17.5	20.8	23.5	23.5	23.5
Relative P/E Ratio	.84	.82	.83	.84	.90	1.01	.89	.85	.88	1.09	1.45	1.45	1.45
Avg Ann'l Div'd Yield	4.2%	4.8%	5.3%	4.7%	4.2%	4.1%	3.5%	3.1%	2.9%	2.4%	2.2%	2.2%	2.2%
Revenues (\$mill) <sup>A</sup>	5898.4	7221.3	4969.1	4789.7	4347.6	3438.5	3886.3	4940.9	4142.1	3349.9	3020	3150	5500
Net Profit (\$mill)	170.5	180.3	179.7	201.2	199.3	192.2	230.7	289.8	315.1	350.1	390	420	540
Income Tax Rate	35.8%	38.4%	34.4%	38.5%	36.4%	33.8%	38.2%	39.2%	38.3%	36.4%	37.0%	37.5%	40.0%
Net Profit Margin	2.9%	2.5%	3.6%	4.2%	4.6%	5.6%	5.9%	5.9%	7.6%	10.5%	12.9%	13.3%	9.8%
Long-Term Debt Ratio	52.0%	50.8%	49.9%	45.4%	49.4%	45.3%	48.8%	44.3%	43.5%	38.7%	38.0%	39.0%	45.0%
Common Equity Ratio	48.0%	49.2%	50.1%	54.6%	50.6%	54.7%	51.2%	55.7%	56.5%	61.3%	62.0%	61.0%	55.0%
Total Capital (\$mill)	4092.1	4172.3	4346.2	3987.9	4461.5	4315.5	5036.1	5542.2	5650.2	5651.8	6400	6700	8400
Net Plant (\$mill)	3836.8	4136.9	4439.1	4793.1	5147.9	5475.6	6030.7	6725.9	7430.6	8280.5	9000	9500	11500
Return on Total Cap'l	5.9%	5.9%	5.9%	6.9%	6.1%	6.1%	5.9%	6.4%	6.6%	7.2%	7.0%	7.5%	8.0%
Return on Shr. Equity	8.7%	8.8%	8.3%	9.2%	8.8%	8.1%	8.9%	9.4%	9.9%	10.1%	10.0%	10.5%	11.5%
Return on Com Equity	8.7%	8.8%	8.3%	9.2%	8.8%	8.1%	8.9%	9.4%	9.9%	10.1%	10.0%	10.5%	11.5%
Retained to Com Eq	3.0%	3.1%	2.7%	3.5%	3.3%	2.8%	4.0%	4.7%	4.9%	5.1%	5.0%	5.0%	5.5%
All Div'ds to Net Prof	65%	65%	68%	62%	62%	65%	56%	50%	51%	50%	49%	50%	51%

**CAPITAL STRUCTURE as of 3/31/17**  
 Total Debt \$2325.2 mill. Due in 5 Yrs \$1530.0 mill.  
 LT Debt \$2314.6 mill. LT Interest \$140.0 mill.  
 (LT interest earned: 5.8x; total interest coverage: 5.8x)  
 Leases, Uncapitalized Annual rentals \$17.1 mill.  
 Pfd Stock None  
 Pension Assets-9/16 \$474.0 mill. Oblig. \$545.5 mill.  
 Common Stock 105,288,359 shs.  
 as of 4/28/17  
 MARKET CAP: \$8.6 billion (Large Cap)

**CURRENT POSITION**

	2015	2016	3/31/17 (\$mill.)
Cash Assets	28.7	47.5	45.4
Other	602.3	634.2	517.7
Current Assets	631.0	681.7	563.1
Accts Payable	238.9	259.4	185.2
Debt Due	457.9	1079.8	920.6
Other	458.0	449.1	390.3
Current Liab.	1154.8	1788.3	1496.1
Fix. Chg. Cov.	743%	768%	775%

**ANNUAL RATES**

	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	-4.0%	-4.5%	2.0%
"Cash Flow"	4.5%	5.0%	4.5%
Earnings	6.0%	8.0%	6.0%
Dividends	2.5%	3.5%	6.5%
Book Value	5.0%	5.5%	3.5%

**QUARTERLY REVENUES (\$mill.)<sup>A</sup>**

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2014	1255.1	1964.3	942.7	778.8	4940.9
2015	1258.8	1540.1	686.4	656.8	4142.1
2016	906.2	1132.3	632.9	678.5	3349.9
2017	780.2	988.2	600	651.6	3020
2018	800	1030	640	680	3150

**EARNINGS PER SHARE<sup>A B E</sup>**

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2014	.95	1.38	.45	.23	2.96
2015	.96	1.35	.55	.23	3.09
2016	1.00	1.38	.69	.33	3.38
2017	1.08	1.52	.71	.34	3.65
2018	1.13	1.51	.76	.40	3.80

**QUARTERLY DIVIDENDS PAID<sup>C</sup>**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.35	.35	.35	.37	1.42
2014	.37	.37	.37	.39	1.50
2015	.39	.39	.39	.42	1.59
2016	.42	.42	.42	.45	1.71
2017	.45	.45	.45	.45	1.80

**BUSINESS:** Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to roughly three million customers through six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Gas sales breakdown for fiscal 2016: 67%, residential; 28%, commercial; 2%, industrial; and 3% other. The company sold Atmos Energy Marketing, 1/17. Officers and directors own approximately 1.6% of common stock (12/16 Proxy). President and Chief Executive Officer: Kim R. Cocklin. Incorporated: Texas. Address: Three Lincoln Centre, Suite 1800, 5430 LBJ Freeway, Dallas, Texas 75240. Telephone: 972-934-9227. Internet: www.atmosenergy.com.

**Atmos Energy performed nicely, earnings-wise, through the first half of fiscal 2017 (concludes September 30th), compared to the same period a year earlier.** That was due primarily to the bread-and-butter natural gas distribution division, which benefited from higher rates, mainly in the Mid-Tex, Louisiana, and Mississippi units. Another plus there was customer growth across the Mid-Tex and Tennessee service areas. Meanwhile, results of the pipeline and storage business were boosted by higher revenue from the Gas Reliability Infrastructure Program (GRIP) filings approved in fiscal 2016. At this juncture, share net stands to rise roughly 8%, to \$3.65. Concerning fiscal 2018, the bottom line may well increase an additional 4% or so, to \$3.80 a share, if operating margins expand further.

**The Financial Strength rating remains solid, at 'A.'** Through the second quarter, cash and equivalents stood at around \$45 million. Moreover, long-term debt was at a manageable 37.6% of total capital, and short-term obligations did not present a major obstacle. Lastly, the Dallas-headquartered firm has over \$1.5

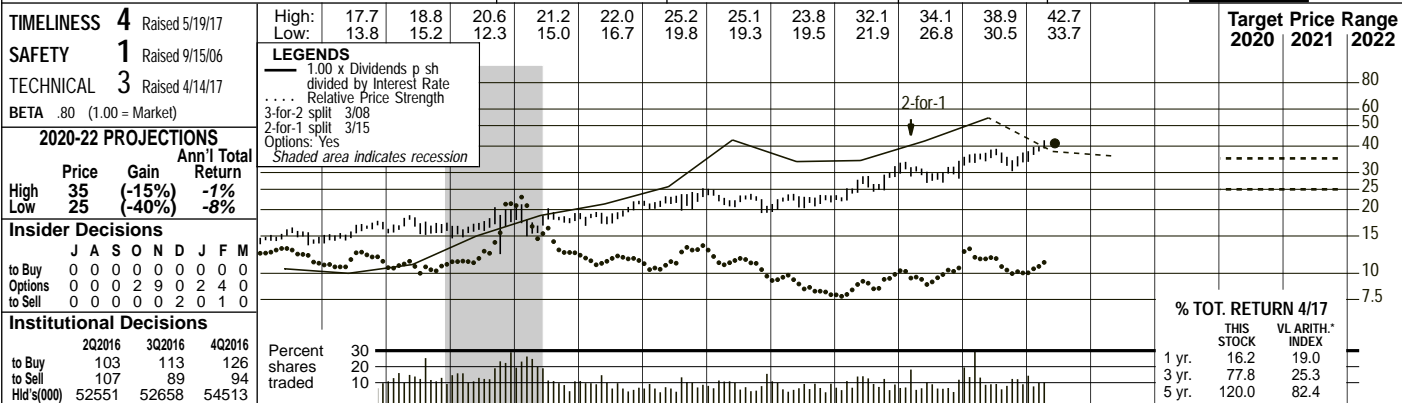
billion of capacity under short-term credit facilities and is able to issue up to \$2.4 billion in common stock and/or debt securities. All things considered, strong and steady operations have created resources quite sufficient to meet working capital, capital spending, and other cash requirements. Acquisitions are a possibility, although they are not incorporated into our figures because of size and timing factors.

**The equity has been trading at record heights in recent months.** We think that price movement stems largely from the company's healthy profits thus far in fiscal 2017. What's more, long-term capital appreciation potential is respectable, relative to the Value Line median. Note, also, the solid, well-covered dividend plus prospects for future hikes in the payout. Other mentionable characteristics include the 1 (Highest) Safety rank, good mark for Price Stability, and below-market Beta coefficient. Indeed, various types of investors might want to take a look. But for now, Atmos Energy shares are only Average (3) for Timeliness.

Frederick L. Harris, III June 2, 2017

# NEW JERSEY RES. NYSE-NJR

RECENT PRICE **41.20** P/E RATIO **23.1** (Trailing: 24.0 Median: 16.0) RELATIVE P/E RATIO **1.19** DIV'D YLD **2.5%** VALUE LINE



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
25.61	22.06	31.14	30.44	38.10	39.81	36.31	45.37	31.17	32.05	36.30	27.08	38.38	44.40	32.09	21.90	<b>27.60</b>	<b>28.70</b>	Revenues per sh <sup>A</sup>	<b>31.40</b>
1.06	1.07	1.19	1.25	1.31	1.37	1.22	1.81	1.58	1.63	1.70	1.86	1.93	2.73	2.52	2.46	<b>2.55</b>	<b>2.70</b>	"Cash Flow" per sh	<b>3.05</b>
.65	.70	.79	.85	.88	.93	.78	1.35	1.20	1.23	1.29	1.36	1.37	2.08	1.78	1.61	<b>1.75</b>	<b>1.90</b>	Earnings per sh <sup>B</sup>	<b>2.15</b>
.39	.40	.41	.43	.45	.48	.51	.56	.62	.68	.72	.77	.81	.86	.93	.98	<b>1.02</b>	<b>1.04</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>1.12</b>
.55	.51	.57	.72	.64	.64	.73	.86	.90	1.05	1.13	1.26	1.33	1.52	3.76	4.15	<b>2.15</b>	<b>2.20</b>	Cap'l Spending per sh	<b>2.40</b>
4.40	4.35	5.13	5.62	5.30	7.50	7.75	8.64	8.29	8.81	9.36	9.80	10.65	11.48	12.99	13.58	<b>14.35</b>	<b>15.25</b>	Book Value per sh <sup>D</sup>	<b>18.25</b>
79.99	83.00	81.70	83.22	82.64	82.88	83.22	84.12	83.17	82.35	82.89	83.05	83.32	84.20	85.19	85.88	<b>86.00</b>	<b>86.00</b>	Common Shs Outst'g <sup>E</sup>	<b>86.00</b>
14.2	14.7	14.0	15.3	16.8	16.1	21.6	12.3	14.9	15.0	16.8	16.8	16.0	11.7	16.6	21.3	<b>16.6</b>	<b>21.3</b>	Avg Ann'l P/E Ratio	<b>14.0</b>
.73	.80	.80	.81	.89	.87	1.15	.74	.99	.95	1.05	1.07	.90	.62	.84	1.12	<b>1.12</b>	<b>1.12</b>	Relative P/E Ratio	<b>.90</b>
4.2%	3.9%	3.7%	3.3%	3.1%	3.2%	3.0%	3.3%	3.5%	3.7%	3.3%	3.4%	3.7%	3.5%	3.1%	2.9%	<b>3.1%</b>	<b>2.9%</b>	Avg Ann'l Div'd Yield	<b>3.7%</b>

CAPITAL STRUCTURE as of 3/31/17		2015	2016	3/31/17	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Total Debt	\$1322.6 mill. Due in 5 Yrs	\$360.8 mill.			3021.8	3816.2	2592.5	2639.3	3009.2	2248.9	3198.1	3738.1	2734.0	1880.9	<b>2375</b>	<b>2470</b>	Revenues (\$mill) <sup>A</sup>	<b>2700</b>																						
LT Debt	\$1024.0 mill.	LT Interest \$31.0 mill.			65.3	113.9	101.0	101.8	106.5	112.4	113.7	176.9	153.7	138.1	<b>152</b>	<b>165</b>	Net Profit (\$mill)	<b>190</b>																						
Incl.	\$46.9 mill. capitalized leases.				38.8%	37.8%	27.1%	41.4%	30.2%	7.1%	25.4%	30.2%	26.3%	15.5%	<b>32.0%</b>	<b>32.0%</b>	Income Tax Rate	<b>32.0%</b>																						
(LT interest earned: 7.5x; total interest coverage: 7.5x)					2.2%	3.0%	3.9%	3.9%	3.5%	5.0%	3.6%	4.7%	5.6%	7.3%	<b>6.4%</b>	<b>7.0%</b>	Net Profit Margin	<b>7.0%</b>																						
Pension Assets-9/16	\$311.9 mill.	Oblig. \$454.1 mill.			37.3%	38.5%	39.8%	37.2%	35.5%	39.2%	36.6%	38.2%	43.2%	47.7%	<b>46.5%</b>	<b>45.5%</b>	Long-Term Debt Ratio	<b>43.0%</b>																						
					62.7%	61.5%	60.2%	62.8%	64.5%	60.8%	63.4%	61.8%	56.8%	52.3%	<b>53.5%</b>	<b>54.5%</b>	Common Equity Ratio	<b>57.0%</b>																						
Pfd Stock	None				1028.0	1182.1	1144.8	1154.4	1203.1	1339.0	1400.3	1564.4	1950.6	2230.1	<b>2310</b>	<b>2410</b>	Total Capital (\$mill)	<b>2750</b>																						
Common Stock	86,438,897 shs.				970.9	1017.3	1064.4	1135.7	1295.9	1484.9	1643.1	1884.1	2128.3	2407.7	<b>2455</b>	<b>2505</b>	Net Plant (\$mill)	<b>2660</b>																						
as of 5/2/17					7.7%	10.7%	9.7%	9.7%	9.7%	9.2%	9.0%	12.1%	8.6%	6.9%	<b>8.0%</b>	<b>8.0%</b>	Return on Total Cap'l	<b>8.0%</b>																						
MARKET CAP: \$3.6 billion (Mid Cap)					10.1%	15.7%	14.6%	14.0%	13.7%	13.8%	12.8%	18.3%	13.9%	11.8%	<b>12.5%</b>	<b>12.5%</b>	Return on Shr. Equity	<b>12.0%</b>																						
					10.1%	15.7%	14.6%	14.0%	13.7%	13.8%	12.8%	18.3%	13.9%	11.8%	<b>12.5%</b>	<b>12.5%</b>	Return on Com Equity	<b>12.0%</b>																						

**CURRENT POSITION (SMILL.)**  
 Cash Assets 4.9 37.5 92.7  
 Other 539.6 569.8 585.3  
 Current Assets 544.5 607.3 678.0

Accts Payable 273.2 269.8 254.8  
 Debt Due 77.5 183.2 298.6  
 Other 85.4 118.6 72.9  
 Current Liab. 436.1 571.6 626.3  
 Fix. Chg. Cov. 750% 750% 750%

**BUSINESS:** New Jersey Resources Corp. is a holding company providing retail/wholesale energy svcs. to customers in New Jersey, and in states from the Gulf Coast to New England, and Canada. New Jersey Natural Gas had about 521,200 customers as of 9/30/16 in Monmouth and Ocean and other N.J. counties. Fiscal 2016 volume: 337 bill. cu. ft. (18% interruptible, 17% residential and commercial and electric utility, 65% incentive programs). N.J. Natural Energy subsidiary provides unregulated retail/wholesale natural gas and related energy svcs. 2016 dep. rate: 2.6%. Has 1,034 empls. Off./dir. own about 1.5% of common (12/16 Proxy). Chrmn., CEO & Pres.: Laurence M. Downes, Inc.: NJ Addr.: 1415 Wyckoff Road, Wall, NJ 07719. Tel.: 732-938-1480. Web: www.njresources.com.

**Since our March review, shares of New Jersey Resources have trended higher.** Indeed, over that time frame, the stock's price advanced almost 6.5%. This came after the company posted better-than-expected fiscal second-quarter financial results (ended March 31st).

**Second-quarter revenues climbed about 28%, on a year-over-year basis, to \$733.5 million.** This was supported by rising contributions from both the utility and nonutility segments that experienced 22% and 32% upticks in volumes for that period. The New Jersey Natural Gas (NJNG) regulated utility division added 4,130 new customers during the first half of this year. At this pace, management anticipates seeing roughly 9,000 new and conversion customers in fiscal 2017 alone. Much of its service territory is still feeling the residual impacts from Superstorm Sandy, which hit the East Coast quite hard. On the upside, many customers that are still rebuilding or without power, are expected to come back on line this year. On the margin front, total expenses declined 260 basis points as a function of the top line. Combined, these factors drove the bottom line 33% higher, to \$1.21 a share, besting our call of \$0.95.

**As a result, we have raised our outlook for this year by \$0.20, to \$1.75 a share.** This would represent an annual profit increase of about 9%. New customer accounts at the NJNG division ought to be a primary contributing factor here. Elsewhere, the NJR Clean Energy Ventures, Energy Services, Midstream, and Home Service departments have all been registering greater net financial earnings, and we look for this trend to persist. Finally, NJR has numerous capital growth projects in the works. Some include updating older infrastructure to boost system integrity, while others are focused on clean energy investments. The regulated utility alone has \$700 million in capex planned over the next three years. These efforts are anticipated to bring in 26,000-28,000 new accounts through 2019, which augurs well for top- and bottom-line growth.

**At the recent quotation, these shares do not stand out.** They are untimely, have a so-so yield for a utility, and lack 3- to 5-year appreciation potential.

*Bryan J. Fong* June 2, 2017

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2014	878.4	1579.6	688.3	591.9	3738.1
2015	824.1	1013.1	458.5	438.3	2734.0
2016	444.3	574.2	393.2	469.2	1880.9
2017	541.0	733.5	<b>510</b>	<b>590.5</b>	<b>2375</b>
2018	<b>565</b>	<b>760</b>	<b>535</b>	<b>610</b>	<b>2470</b>

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2014	.47	1.79	.05	d.23	2.08
2015	.65	1.16	.03	d.06	1.78
2016	.58	.91	.13	d.02	1.61
2017	.40	1.21	.15	<b>d.01</b>	<b>1.75</b>
2018	<b>.43</b>	<b>1.24</b>	<b>.19</b>	<b>.04</b>	<b>1.90</b>

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	--	.20	.20	.20	.60
2014	.21	.21	.21	.23	.86
2015	.23	.23	.23	.24	.93
2016	.24	.24	.24	.255	.98
2017	.255	.255			

(A) Fiscal year ends Sept. 30th. (B) Diluted earnings. Qly eggs may not sum to total due to change in shares outstanding. Next earnings report due late July. (C) Dividends historically paid in early Jan., April, July, and October. 1Q '13 div'd paid in 4Q '12. ■ Dividend reinvestment plan available. (D) Includes regulatory assets in 2016: \$441.3 million, \$.513/share. (E) In millions, adjusted for splits.

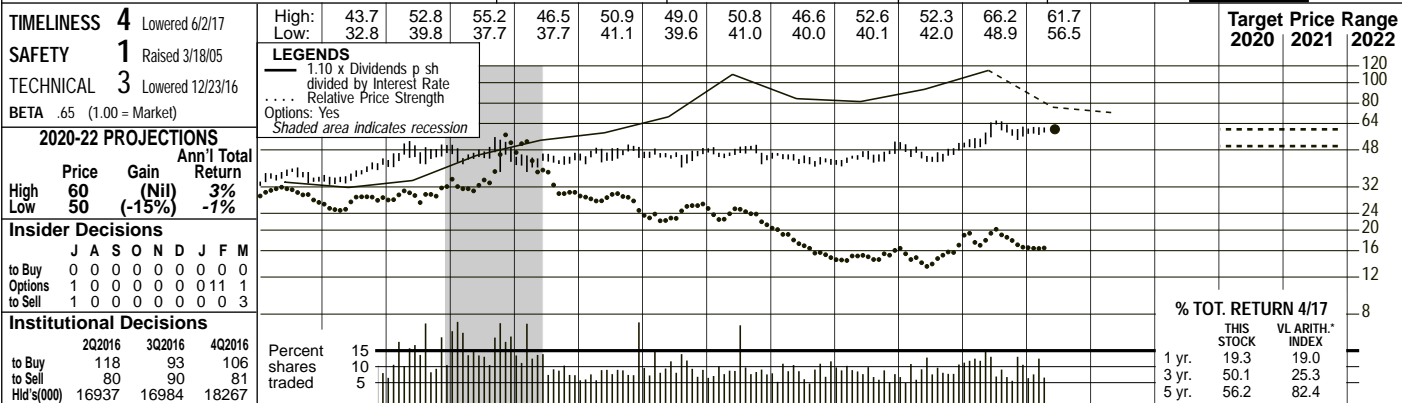
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Company's Financial Strength	A+
Stock's Price Stability	80
Price Growth Persistence	55
Earnings Predictability	55

# N.W. NAT'L GAS NYSE:NWN

RECENT PRICE **60.10** P/E RATIO **27.3** (Trailing: 27.6; Median: 19.0) RELATIVE P/E RATIO **1.40** DIV'D YLD **3.1%** VALUE LINE



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
25.78	25.07	23.57	25.69	33.01	37.20	39.13	39.16	38.17	30.56	31.72	27.14	28.02	27.64	26.39	23.61	<b>25.55</b>	<b>26.45</b>	Revenues per sh	<b>29.65</b>
3.86	3.65	3.85	3.92	4.34	4.76	5.41	5.31	5.20	5.18	5.00	4.94	5.04	5.05	4.91	4.93	<b>5.05</b>	<b>5.05</b>	"Cash Flow" per sh	<b>6.10</b>
1.88	1.62	1.76	1.86	2.11	2.35	2.76	2.57	2.83	2.73	2.39	2.22	2.24	2.16	1.96	2.12	<b>2.20</b>	<b>2.40</b>	Earnings per sh <sup>A</sup>	<b>3.15</b>
1.25	1.26	1.27	1.30	1.32	1.39	1.44	1.52	1.60	1.68	1.75	1.79	1.83	1.85	1.86	1.87	<b>1.88</b>	<b>1.89</b>	Div'ds Decl'd per sh <sup>B</sup>	<b>2.00</b>
3.23	3.11	4.90	5.52	3.48	3.56	4.48	3.92	5.09	9.35	3.76	4.91	5.13	4.40	4.37	4.87	<b>6.20</b>	<b>6.45</b>	Cap'l Spending per sh	<b>6.35</b>
18.56	18.88	19.52	20.64	21.28	22.01	22.52	23.71	24.88	26.08	26.70	27.23	27.77	28.12	28.47	29.71	<b>29.90</b>	<b>30.40</b>	Book Value per sh <sup>D</sup>	<b>32.25</b>
25.23	25.59	25.94	27.55	27.58	27.24	26.41	26.50	26.53	26.58	26.76	26.92	27.08	27.28	27.43	28.63	<b>29.00</b>	<b>29.50</b>	Common Shs Outst'g <sup>C</sup>	<b>30.00</b>
12.9	17.2	15.8	16.7	17.0	15.9	16.7	18.1	15.2	17.0	19.0	21.1	19.4	20.7	23.7	26.9	<b>26.00</b>	<b>26.00</b>	Avg Ann'l P/E Ratio	<b>17.0</b>
.66	.94	.90	.88	.91	.86	.89	1.09	1.01	1.08	1.19	1.34	1.09	1.09	1.19	1.43	<b>1.43</b>	<b>1.43</b>	Relative P/E Ratio	<b>1.05</b>
5.1%	4.5%	4.6%	4.2%	3.7%	3.7%	3.1%	3.3%	3.7%	3.6%	3.9%	3.8%	4.2%	4.1%	4.0%	3.3%	<b>3.3%</b>	<b>3.3%</b>	Avg Ann'l Div'd Yield	<b>3.7%</b>

CAPITAL STRUCTURE as of 3/31/17				2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Debt \$719.7 mill. Due in 5 Yrs \$360.0 mill.				1033.2	1037.9	1012.7	812.1	848.8	730.6	758.5	754.0	723.8	676.0	<b>740</b>	<b>780</b>	Revenues (\$mill)	<b>890</b>				
LT Debt \$657.7 mill. LT Interest \$45.0 mill.				74.5	68.5	75.1	72.7	63.9	59.9	60.5	58.7	53.7	58.9	<b>64.0</b>	<b>70.0</b>	Net Profit (\$mill)	<b>90.0</b>				
(Total interest coverage: 3.6x)				37.2%	36.9%	38.3%	40.5%	40.4%	42.4%	40.8%	41.5%	40.0%	40.9%	<b>35.0%</b>	<b>35.0%</b>	Income Tax Rate	<b>35.0%</b>				
Pension Assets-12/16 \$257.7 mill. Oblig. \$457.8 mill.				7.2%	6.6%	7.4%	8.9%	7.5%	8.2%	8.0%	7.8%	7.4%	8.7%	<b>8.6%</b>	<b>9.1%</b>	Net Profit Margin	<b>10.6%</b>				
Pfd Stock None				46.3%	44.9%	47.7%	46.1%	47.3%	48.5%	47.6%	44.8%	42.5%	44.4%	<b>44.5%</b>	<b>45.0%</b>	Long-Term Debt Ratio	<b>45.5%</b>				
Common Stock 28,644,327 shares as of 4/28/17				53.7%	55.1%	52.3%	53.9%	52.7%	51.5%	52.4%	55.2%	57.5%	55.6%	<b>55.5%</b>	<b>55.0%</b>	Common Equity Ratio	<b>54.5%</b>				
MARKET CAP \$1.7 billion (Mid Cap)				1106.8	1140.4	1261.8	1284.8	1356.2	1424.7	1433.6	1389.0	1357.7	1529.8	<b>1570</b>	<b>1625</b>	Total Capital (\$mill)	<b>1775</b>				
CURRENT POSITION				1495.9	1549.1	1670.1	1854.2	1893.9	1973.6	2062.9	2121.6	2182.7	2260.9	<b>2350</b>	<b>2445</b>	Net Plant (\$mill)	<b>2750</b>				
CASH ASSETS				8.5%	7.7%	7.3%	7.0%	6.2%	5.7%	5.8%	5.8%	5.5%	5.1%	<b>5.0%</b>	<b>5.5%</b>	Return on Total Cap'l	<b>6.5%</b>				
OTHER ASSETS				12.5%	10.9%	11.4%	10.5%	8.9%	8.2%	8.1%	7.6%	6.9%	6.9%	<b>7.5%</b>	<b>8.0%</b>	Return on Shr. Equity	<b>10.0%</b>				
ACCTS PAYABLE				12.5%	10.9%	11.4%	10.5%	8.9%	8.2%	8.1%	7.6%	6.9%	6.9%	<b>7.5%</b>	<b>8.0%</b>	Return on Com Equity	<b>10.0%</b>				
DEBT DUE				6.0%	4.5%	5.0%	4.0%	2.4%	1.6%	1.5%	1.1%	.6%	.9%	<b>1.0%</b>	<b>1.5%</b>	Retained to Com Eq	<b>3.5%</b>				
OTHER				52%	59%	56%	61%	73%	80%	81%	85%	92%	87%	<b>85%</b>	<b>79%</b>	All Div'ds to Net Prof	<b>64%</b>				

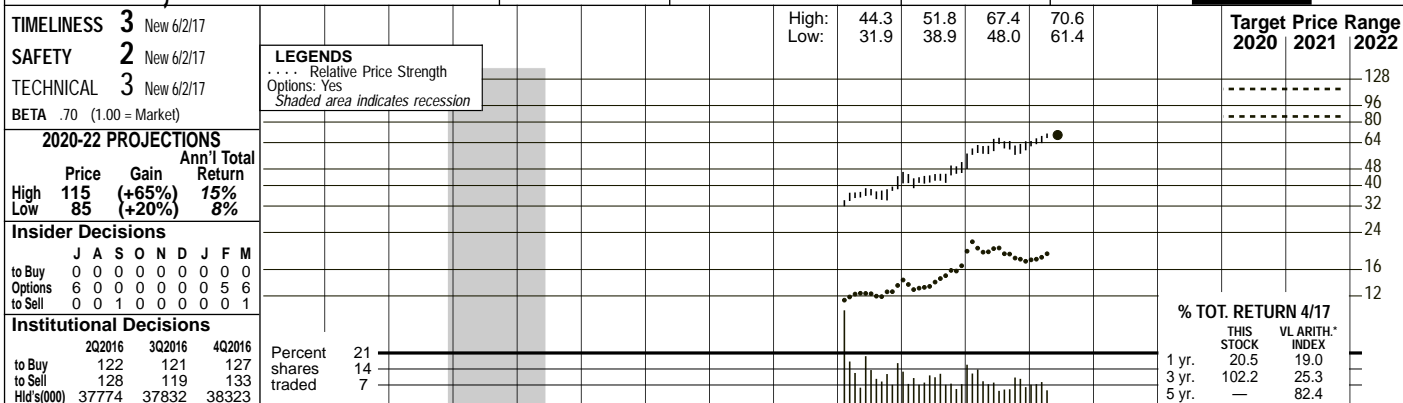
**BUSINESS:** Northwest Natural Gas Co. distributes natural gas to 90 communities, 704,000 customers, in Oregon (89% of customers) and in southwest Washington state. Principal cities served: Portland and Eugene, OR; Vancouver, WA. Service area population: 2.5 mill. (77% in OR). Company buys gas supply from Canadian and U.S. producers; has transportation rights on Northwest Pipeline system. Owns local underground storage. Rev. breakdown: residential, 35%; commercial, 22%; industrial, gas transportation, and other, 43%. Employs 1,092. BlackRock Inc. owns 11.9% of shares; officers and directors, 1.5% (4/17 proxy). CEO: Gregg S. Kantor. Inc.: Oregon. Address: 220 NW 2nd Ave., Portland, OR 97209. Telephone: 503-226-4211. Internet: www.nwnatural.com.

**Northwest Natural Gas saw improvement in the first quarter.** Revenues expanded due to cooler temperatures and higher amounts of natural gas being put through. This allowed for better gross profitability, though this was somewhat offset by higher maintenance costs and increased depreciation expense. Earnings per share rose to \$1.40 despite a higher share count. However, aside from the seasonal impact of warmer weather, we expect an increase in capital investments to pressure results in the near term. Thus, we've lowered our share-net estimate by \$0.15, to \$2.20.

**A better Portland-area economy should benefit near-term results.** Employment trends in Portland are favorable, while customer growth continues to happen in the service territory, as more housing is added. The company should benefit from higher incomes in the area, too. In fact, it is earmarking \$25 million in capital expenditures to improve its system to include high-pressure distribution lines, which should allow for more throughput. **The Mist facility appears to be on track.** Northwest will spend between \$80 million and \$90 million this year to build the facility to store around 2.5 billion cubic feet of natural gas for no-notice service to Portland General Electric. This is expected to cost around \$128 million in total capital expenditures, and will probably be in service by the winter of 2018. This should drive up usage significantly and, hence, help contribute to the bottom line. We think the company will earn \$2.40 in 2018, and \$3.15 by the 2020-2022 period. **The balance sheet is in fairly good shape.** Debt currently makes up only about 45% of total capital, and interest expense remains manageable. Still, given the possibility of rising interest rates and the likelihood of Northwest taking on debt to fund capital projects, interest expense may well edge up in the years ahead. **These untimely shares are not enticing at present.** They are trading at the high end of our long-term Target Price Range, and the yield does not stand out when compared to its recent past, while payout growth is likely to be slow. As these shares appear to be fully valued, long-term investors would be best served waiting for a dip in price.

(A) Diluted earnings per share. Excludes non-recurring items: '06, (\$0.06); '08, (\$0.03); '09, 6c; May not sum due to rounding. Next earnings report due in early August.	(B) Dividends historically paid in mid-February, May, August, and November. Dividend reinvestment plan available.	(C) In millions.	(D) Includes intangibles. In 2016: \$357.5 million, \$12.48/share.	Company's Financial Strength	A
				Stock's Price Stability	95
				Price Growth Persistence	20
				Earnings Predictability	85

John E. Seibert III June 2, 2017



The shares of ONE Gas, Inc. began trading "regular-way" on the New York Stock Exchange on February 3, 2014. That happened as a result of the separation of ONEOK's natural gas distribution operation. Regarding the details of the spinoff, on January 31, 2014, ONEOK distributed one share of OGS common stock for every four shares of ONEOK common stock held by ONEOK shareholders of record as of the close of business on January 21. It should be mentioned that ONEOK did not retain any ownership interest in the new company.

**CAPITAL STRUCTURE as of 3/31/17**  
**Total Debt** \$1278.0 mill. **Due in 5 Yrs** \$445.0 mill.  
**LT Debt** \$1192.6 mill. **LT Interest** \$70.0 mill.  
 (LT interest earned: 6.3x; total interest coverage: 5.8x)  
**Leases, Uncapitalized** Annual rentals \$5.6 mill.  
**Pfd Stock** None  
**Pension Assets-12/16** \$739.6 mill.  
**Oblig.** \$966.5 mill.  
**Common Stock** 52,435,350 shs.  
**as of 4/25/17**  
**MARKET CAP: \$3.6 billion (Mid Cap)**

CURRENT POSITION (\$MILL.)	2015	2016	3/31/17
Cash Assets	2.4	14.7	13.2
Other	480.4	554.2	467.9
Current Assets	482.8	568.9	481.1
Accts Payable	107.5	132.0	76.1
Debt Due	12.5	145.0	85.4
Other	184.2	166.9	146.4
Current Liab.	304.2	443.9	307.9
Fix. Chg. Cov.	624%	685%	670%

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	--	--	2.5%
"Cash Flow"	--	--	7.5%
Earnings	--	--	9.5%
Dividends	--	--	13.5%
Book Value	--	--	3.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	766.2	296.8	241.5	514.4	1818.9
2015	676.5	256.8	225.2	389.2	1547.7
2016	508.4	245.9	232.2	440.7	1427.2
2017	550.4	260	245	459.6	1515
2018	570	275	260	480	1585

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	1.13	.18	.09	.67	2.07
2015	1.13	.23	.14	.74	2.24
2016	1.22	.38	.25	.80	2.65
2017	1.34	.44	.32	.85	2.95
2018	1.42	.50	.41	.92	3.25

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	--	--	--	--	--
2014	--	.28	.28	.28	.84
2015	.30	.30	.30	.30	1.20
2016	.35	.35	.35	.35	1.40
2017	.42				

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
Revenues per sh	--	--	--	--	--	--	--	34.92	29.62	27.30	28.85	30.20		35.10
"Cash Flow" per sh	--	--	--	--	--	--	--	4.52	4.82	5.43	5.90	6.40		7.70
Earnings per sh <sup>A</sup>	--	--	--	--	--	--	--	2.07	2.24	2.65	2.95	3.25		4.00
Div'ds Decl'd per sh <sup>B</sup>	--	--	--	--	--	--	--	.84	1.20	1.40	1.68	1.88		2.45
Cap'l Spending per sh	--	--	--	--	--	--	--	5.70	5.63	5.91	6.65	6.90		6.85
Book Value per sh	--	--	--	--	--	--	--	34.45	35.24	36.12	37.80	38.95		41.45
Common Shs Outst'g <sup>C</sup>	--	--	--	--	--	--	--	52.08	52.26	52.28	52.50	52.50		55.00
Avg Ann'l P/E Ratio	--	--	--	--	--	--	--	17.8	19.8	22.7	Bold figures are Value Line estimates			25.0
Relative P/E Ratio	--	--	--	--	--	--	--	.94	1.00	1.20				1.55
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	2.3%	2.7%	2.3%				2.5%
Revenues (\$mill)	--	--	--	--	--	--	--	1818.9	1547.7	1427.2	1515	1585		1930
Net Profit (\$mill)	--	--	--	--	--	--	--	109.8	119.0	140.1	155	170		220
Income Tax Rate	--	--	--	--	--	--	--	38.4%	38.0%	37.8%	36.5%	36.5%		38.0%
Net Profit Margin	--	--	--	--	--	--	--	6.0%	7.7%	9.8%	10.2%	10.7%		11.4%
Long-Term Debt Ratio	--	--	--	--	--	--	--	40.1%	39.5%	38.7%	38.0%	38.0%		38.0%
Common Equity Ratio	--	--	--	--	--	--	--	59.9%	60.5%	61.3%	62.0%	62.0%		62.0%
Total Capital (\$mill)	--	--	--	--	--	--	--	2995.3	3042.9	3080.7	3200	3300		3675
Net Plant (\$mill)	--	--	--	--	--	--	--	3293.7	3511.9	3731.6	3940	4150		4850
Return on Total Cap'l	--	--	--	--	--	--	--	4.4%	4.7%	5.2%	6.0%	6.5%		7.0%
Return on Shr. Equity	--	--	--	--	--	--	--	6.1%	6.5%	7.4%	8.0%	8.5%		9.5%
Return on Com Equity	--	--	--	--	--	--	--	6.1%	6.5%	7.4%	8.0%	8.5%		9.5%
Retained to Com Eq	--	--	--	--	--	--	--	3.7%	3.1%	3.5%	3.5%	3.5%		4.0%
All Div'ds to Net Prof	--	--	--	--	--	--	--	40%	53%	52%	57%	58%		61%

**BUSINESS:** ONE Gas, Inc. provides natural gas distribution services to over two million customers. It has three divisions: Oklahoma Natural Gas, Kansas Gas Service, and Texas Gas Service. The company purchased 134 Bcf of natural gas supply in fiscal 2016, compared to 157 Bcf in 2015. Total volumes delivered by customer (fiscal 2016): transportation, 60%; residential, 30%; commercial &

industrial, 9%; wholesale, 1%. BlackRock owns approximately 10.0% of common stock; The Vanguard Group, 9.5%; American Century Investment Management, 9.3%; officers and directors, less than 1% (4/17 Proxy). CEO: Pierce H. Norton II. Incorporated: Oklahoma. Address: 15 East Fifth Street, Tulsa, Oklahoma 74103. Telephone: 918-947-7000. Internet: www.onegas.com.

**We welcome ONE Gas, Inc. to The Value Line Investment Survey.** The Oklahoma-headquartered company provides natural gas distribution services to more than two million customers, including transportation (comprising the biggest portion of total volumes delivered), residential, and commercial & industrial. Operations are concentrated in Oklahoma, Kansas, and Texas.

**Since January 1, 2017, a new accounting standard for share-based compensation was adopted.** This resulted in a \$5.2 million tax benefit (equivalent to \$0.10 a share) in the first quarter. However, we excluded that number from our presentation because of its nonrecurring nature. **This year's capital expenditures are anticipated to be roughly \$350 million.** (That would be some 13% higher than the 2016 level.) More than 70% of the budget is devoted to system integrity and pipeline replacement projects. Management expects that amount to be in the \$350 million to \$380 million range each year from 2017 to 2021. It seems that corporate finances are more than adequate to

make those initiatives possible. **The quarterly dividend was hiked 20%, to \$0.42 a share.** Furthermore, we look for steady annual increases in the distribution out to 2020-2022. Our projections indicate that the payout ratio during that period will lie between 60% and 65%, which seems reasonable. But the yield is not spectacular, when measured against the average of all the other companies within Value Line's Natural Gas Utility universe.

**These shares have gained some steam over the past several months.** We believe that price movement reflects investor confidence surrounding ONE Gas' 2017 earnings prospects. Indeed, that's supported by the healthy first-quarter performance, given such contributors as new rates in Texas and Kansas, plus the favorable effect of weather-normalization mechanisms. What's more, the equity has some upside left. Finally, note the 2 (Above Average) Safety rank and lower-than-market Beta coefficient.

**For now, though, the Timeliness rank is pegged at 3 (Average).** Frederick L. Harris, III June 2, 2017

(A) Diluted shrs. Excludes nonrecurring gain: Q1 2017, \$0.10. Next earnings report due early Aug. (B) Dividends historically paid in early March, June, Sept., and Dec. (C) Dividend reinvestment plan. Direct stock purchase plan. (C) In millions. Company's Financial Strength B++ Stock's Price Stability 85 Price Growth Persistence NMF Earnings Predictability NMF

# SOUTH JERSEY INDS. NYSE-SJI

**RECENT PRICE** 35.34    **P/E RATIO** 28.3 (Trailing: 27.0; Median: 18.0)    **RELATIVE P/E RATIO** 1.45    **DIV'D YLD** 3.1%    **VALUE LINE**

<b>TIMELINESS</b> 5 Lowered 5/19/17 <b>SAFETY</b> 2 Lowered 1/4/91 <b>TECHNICAL</b> 1 Raised 5/26/17 <b>BETA</b> .80 (1.00 = Market)	<b>High:</b> 17.1, 20.6, 20.3, 20.4, 27.1, 29.0, 29.0, 31.1, 30.6, 30.4, 34.8, 38.4 <b>Low:</b> 12.8, 15.6, 12.6, 16.0, 18.6, 21.4, 22.9, 25.3, 25.9, 21.2, 22.1, 31.4	<b>LEGENDS</b> 0.80 x Dividends p sh divided by Interest Rate . . . . Relative Price Strength 2-for-1 split 7/05 2-for-1 split 5/15 Options: Yes Shaded area indicates recession	<b>2020-22 PROJECTIONS</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">Ann'l Total</th> </tr> <tr> <th>Price</th> <th>Gain Return</th> </tr> <tr> <td>High 35</td> <td>(Nil) 4%</td> </tr> <tr> <td>Low 25</td> <td>(-30%) -4%</td> </tr> </table>	Ann'l Total		Price	Gain Return	High 35	(Nil) 4%	Low 25	(-30%) -4%	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">Insider Decisions</th> </tr> <tr> <th>J</th><th>A</th><th>S</th><th>O</th><th>N</th><th>D</th><th>J</th><th>F</th><th>M</th> </tr> <tr> <td>to Buy</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td> </tr> <tr> <td>Options</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td> </tr> <tr> <td>to Sell</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td> </tr> </table>	Insider Decisions		J	A	S	O	N	D	J	F	M	to Buy	0	0	0	0	0	0	0	0	Options	0	0	0	0	0	0	0	0	to Sell	0	0	0	0	0	0	0	0	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">Institutional Decisions</th> </tr> <tr> <th>2Q2016</th><th>3Q2016</th><th>4Q2016</th> </tr> <tr> <td>to Buy</td><td>129</td><td>91</td><td>100</td> </tr> <tr> <td>to Sell</td><td>61</td><td>92</td><td>89</td> </tr> <tr> <td>Hlds(000)</td><td>56193</td><td>56455</td><td>56733</td> </tr> </table>	Institutional Decisions		2Q2016	3Q2016	4Q2016	to Buy	129	91	100	to Sell	61	92	89	Hlds(000)	56193	56455	56733	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">% TOT. RETURN 4/17</th> </tr> <tr> <th>THIS STOCK</th><th>VL ARITH. INDEX</th> </tr> <tr> <td>1 yr.</td><td>39.0</td><td>19.0</td> </tr> <tr> <td>3 yr.</td><td>45.9</td><td>25.3</td> </tr> <tr> <td>5 yr.</td><td>81.6</td><td>82.4</td> </tr> </table>	% TOT. RETURN 4/17		THIS STOCK	VL ARITH. INDEX	1 yr.	39.0	19.0	3 yr.	45.9	25.3	5 yr.	81.6	82.4
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2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
17.65	10.35	13.17	14.75	15.89	15.88	16.15	16.18	14.19	15.48	13.71	11.16	11.18	12.98	13.52	13.04	<b>13.40</b>	<b>13.85</b>	Revenues per sh	15.40
.95	1.06	1.12	1.22	1.25	1.75	1.60	1.74	1.86	2.10	2.23	2.34	2.48	2.67	2.42	2.67	<b>2.45</b>	<b>2.65</b>	"Cash Flow" per sh	3.20
.57	.61	.68	.79	.86	1.23	1.05	1.14	1.19	1.35	1.45	1.52	1.52	1.57	1.44	1.34	<b>1.25</b>	<b>1.45</b>	Earnings per sh <sup>A</sup>	1.80
.37	.38	.39	.41	.43	.46	.51	.56	.61	.68	.75	.83	.90	.96	1.02	1.06	<b>1.10</b>	<b>1.15</b>	Div'ds Decl'd per sh <sup>B</sup>	1.30
1.41	1.74	1.18	1.34	1.60	1.26	.94	1.04	1.83	2.79	3.20	4.01	4.84	5.01	4.87	3.50	<b>3.05</b>	<b>3.60</b>	Cap'l Spending per sh	5.25
3.91	4.84	5.63	6.20	6.75	7.55	8.12	8.67	9.12	9.54	10.33	11.63	12.64	13.65	14.62	16.22	<b>17.80</b>	<b>19.60</b>	Book Value per sh <sup>C</sup>	25.00
47.44	48.83	52.92	55.52	57.96	58.65	59.22	59.46	59.59	59.75	60.43	63.31	65.43	68.33	70.97	79.48	<b>82.00</b>	<b>83.00</b>	Common Shs Outst'g <sup>D</sup>	86.00
13.6	13.5	13.3	14.1	16.6	11.9	17.2	15.9	15.0	16.8	18.4	16.9	18.9	18.0	17.9	21.7	<b>Bold figures are Value Line estimates</b>	Avg Ann'l P/E Ratio	16.0	
.70	.74	.76	.74	.88	.64	.91	.96	1.00	1.07	1.15	1.08	1.06	.95	.90	1.14	Relative P/E Ratio	1.00		
4.7%	4.6%	4.3%	3.7%	3.0%	3.2%	2.8%	3.1%	3.4%	3.0%	2.8%	3.2%	3.1%	3.4%	3.9%	3.6%	Avg Ann'l Div'd Yield	4.5%		

<b>CAPITAL STRUCTURE as of 3/31/17</b>										956.4	962.0	845.4	925.1	828.6	706.3	731.4	887.0	959.6	1036.5	<b>1100</b>	<b>1150</b>	Revenues (\$mill)	1325
Total Debt \$1316.3 mill. Due in 5 Yrs \$630 mill.										61.8	67.7	71.3	81.0	87.0	93.3	97.1	104.0	99.0	102.8	<b>100</b>	<b>115</b>	Net Profit (\$mill)	150
LT Debt \$1079.3 mill. LT Interest \$50.0 mill.										41.9%	47.7%	23.0%	15.2%	22.4%	10.8%	--	--	5.9%	42.0%	<b>25.0%</b>	<b>25.0%</b>	Income Tax Rate	25.0%
(Total interest coverage: 4.0x)										6.5%	7.0%	8.4%	8.8%	10.5%	13.2%	13.3%	11.7%	10.3%	9.9%	<b>9.1%</b>	<b>10.0%</b>	Net Profit Margin	11.3%
<b>Leases, Uncapitalized</b> Annual rentals \$.7 mill.										42.7%	39.2%	36.5%	37.4%	40.5%	45.0%	45.1%	48.0%	49.2%	38.5%	<b>44.0%</b>	<b>42.5%</b>	Long-Term Debt Ratio	40.5%
<b>Pension Assets-12/16</b> \$189.5 mill.										57.3%	60.8%	63.5%	62.6%	59.5%	55.0%	54.9%	52.0%	50.8%	61.5%	<b>56.0%</b>	<b>57.5%</b>	Common Equity Ratio	59.5%
<b>Oblig.</b> \$278.3 mill.										839.0	848.0	856.4	910.1	1048.3	1337.6	1507.4	1791.9	2043.9	2097.2	<b>2610</b>	<b>2825</b>	Total Capital (\$mill)	3600
<b>Pfd Stock</b> None										948.9	982.6	1073.1	1193.3	1352.4	1578.0	1859.1	2134.1	2448.1	2623.8	<b>2775</b>	<b>2925</b>	Net Plant (\$mill)	3500
<b>Common Stock</b> 79,547,998 shs. as of 5/1/17										8.6%	8.9%	9.0%	9.5%	8.9%	7.4%	6.8%	6.4%	5.4%	5.4%	<b>5.0%</b>	<b>5.0%</b>	Return on Total Cap'l	5.0%
<b>MARKET CAP:</b> \$2.8 billion (Mid Cap)										12.8%	13.1%	13.1%	14.2%	13.9%	12.7%	11.7%	11.2%	9.5%	8.0%	<b>7.0%</b>	<b>7.0%</b>	Return on Shr. Equity	7.0%
<b>CURRENT POSITION</b> 2015 2016 3/31/17 (\$MILL.)										12.8%	13.1%	13.1%	14.2%	13.9%	12.7%	11.7%	11.2%	9.5%	8.0%	<b>7.0%</b>	<b>7.0%</b>	Return on Com Equity	7.0%
Cash Assets										6.7%	6.7%	6.4%	7.1%	6.7%	5.8%	4.8%	4.3%	2.8%	1.6%	<b>.5%</b>	<b>1.0%</b>	Retained to Com Eq	2.0%
Other										48%	49%	51%	50%	52%	55%	59%	61%	71%	80%	<b>90%</b>	<b>83%</b>	All Div'ds to Net Prof	75%
Current Assets										<b>BUSINESS:</b> South Jersey Industries, Inc. is a holding company. Its subsidiary, South Jersey Gas Co., distributes natural gas to 377,625 customers in New Jersey's southern counties. Gas revenue mix '16: residential, 42%; commercial, 21%; cogeneration and electric generation, 16%; industrial, 21%. Non-utility operations include: South Jersey Energy, South Jersey Resources Group, South Jersey Exploration, Marina Energy, South Jersey Energy Service Plus, and SJI Midstream. Has about 750 employees. Off./dir. own less than 1% of common shares; BlackRock, Inc., 11.6%; The Vanguard Group, Inc., 9.0% (3/17 proxy). Pres. & CEO: Michael J. Renna. Inc.: NJ. Address: 1 South Jersey Plaza, Folsom, NJ 08037. Tel.: 609-561-9000. Internet: www.sjindustries.com.													
Accts Payable										<b>South Jersey Industries reported mixed results for the first quarter. The top line advanced nearly 28%, year to year. Earnings at the regulated utility business increased at a moderate pace. Conversion activity (from other fuel sources to natural gas) continues to drive customer additions here, and infrastructure investment has also been important. But the wholesale commodity business was hurt by a lack of pricing volatility due to warmer-than-normal temperatures. Moreover, the absence of investment tax credits from solar development hurt performance at SJ Energy Services. Overall, economic earnings were up slightly, though the per-share figure of \$0.72 was somewhat lower due to a larger share count. GAAP earnings per share of \$0.47 came in well below the prior-year tally of \$0.95. This was partly due to a charge of \$26.4 million (\$0.33 a share) related to an unfavorable verdict in United States District Court stemming from a dispute with a supplier over gas costs. The company plans to appeal this ruling. Looking forward, bottom-line comparisons will likely remain unfavorable in the second and third quarters. Long-term prospects appear brighter. The company continues to shift its focus in order to emphasize its regulated and contracted businesses that are expected to drive bottom-line gains in the years ahead. Utility earnings ought to further benefit from growth in the customer base and investment in infrastructure. Meantime, additional fuel supply management contracts ought to drive performance at SJ Energy Group. Healthy solar production and an aggressive hedging strategy will probably benefit results at SJ Energy Services. Subscribers should probably remain on the sidelines for the time being. The stock is untimely. Moreover, long-term total return potential is subpar from the recent quotation. However, a selloff some time in the future may offer conservative, income-seeking accounts a better entry point. Moderate dividend growth will likely continue in the coming years. South Jersey earns good marks for Safety, Financial Strength, Price Stability, and Earnings Predictability. Volatility is below average here, as well.</b>													
Debt Due										<i>Michael Napoli, CFA</i> <i>June 2, 2017</i>													
Other																							
Current Liab.																							
Fix. Chg. Cov.																							

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
Mar.31	Jun.30	Sep.30	Dec.31		
2014	350.2	133.3	122.4	281.1	887.0
2015	383.0	177.7	141.1	257.8	959.6
2016	333.0	154.4	219.1	330.0	1036.5
2017	425.8	<b>165</b>	<b>200</b>	<b>309.2</b>	<b>1100</b>
2018	<b>415</b>	<b>180</b>	<b>225</b>	<b>330</b>	<b>1150</b>

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
Mar.31	Jun.30	Sep.30	Dec.31		
2014	1.01	.15	d.05	.47	1.57
2015	.86	.03	d.07	.62	1.44
2016	.75	.12	.05	.42	1.34
2017	.72	<b>.05</b>	<b>.02</b>	<b>.46</b>	<b>1.25</b>
2018	<b>.78</b>	<b>.10</b>	<b>.03</b>	<b>.54</b>	<b>1.45</b>

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
Mar.31	Jun.30	Sep.30	Dec.31		
2013	--	.222	.222	.458	.90
2014	--	.237	.237	.488	.96
2015	--	.251	.251	.515	1.02
2016	--	.264	.264	.536	1.06
2017	--	.273			

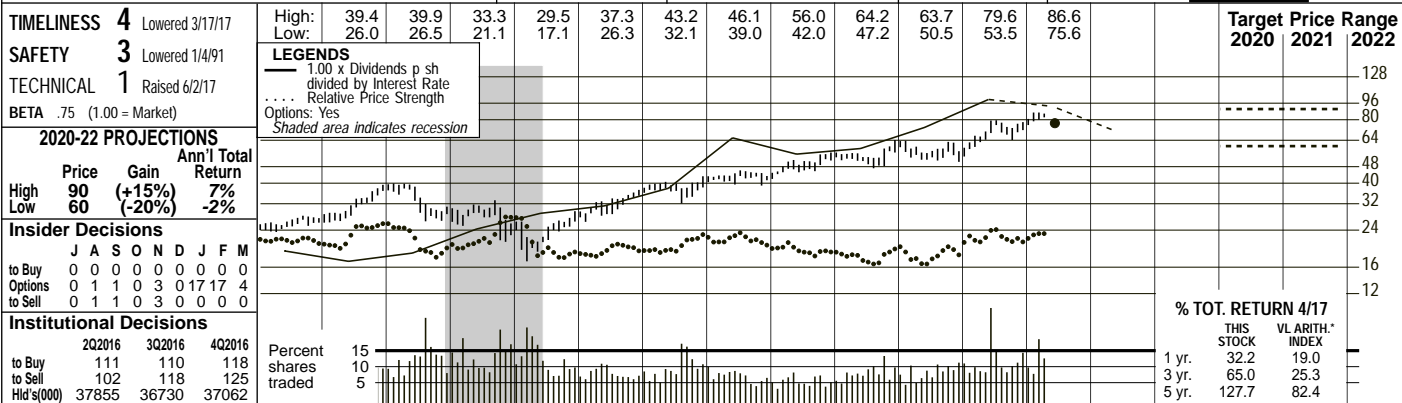
(A) Based on economic egs. from 2007 onward. GAAP EPS: '08, \$0.129; '09, \$0.97; '10, \$1.11; '11, \$1.49; '12, \$1.49; '13, \$1.28; '14, \$1.46; '15, \$1.52; '16, \$1.56. Excl. nonrecur. gain (loss): '08, \$0.16; '09, (\$0.22); '10, (\$0.24); '11, \$0.04; '12, (\$0.03); '13, (\$0.24); '14, (\$0.11); '15, \$0.08; '16, \$0.22. Egs. may not sum due to change in shares. Next egs. rpt. due early August. (B) Div'ds paid early April, July, Oct., and late Dec. ■ Div. reinvest. plan avail. (C) Incl. reg. assets. In 2016: \$410.7 mill., \$5.17 per shr. (D) In mill., adj. for split.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	35
Earnings Predictability	75

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# SOUTHWEST GAS NYSE-SWX

RECENT PRICE **77.16** P/E RATIO **23.4** (Trailing: 25.3; Median: 17.0) RELATIVE P/E RATIO **1.20** DIV'D YLD **2.6%** **VALUE LINE**



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
42.98	39.68	35.96	40.14	43.59	48.47	50.28	48.53	42.00	40.18	41.07	41.77	42.08	45.61	52.00	51.82	<b>52.10</b>	<b>53.55</b>	Revenues per sh	<b>62.50</b>
4.79	5.07	5.11	5.57	5.20	5.97	6.21	5.76	6.16	6.46	6.81	7.73	8.24	8.47	8.62	9.29	<b>9.60</b>	<b>10.60</b>	"Cash Flow" per sh	<b>13.45</b>
1.15	1.16	1.13	1.66	1.25	1.98	1.95	1.39	1.94	2.27	2.43	2.86	3.11	3.01	2.92	3.18	<b>3.30</b>	<b>3.60</b>	Earnings per sh <sup>A</sup>	<b>4.75</b>
.82	.82	.82	.82	.82	.82	.86	.90	.95	1.00	1.06	1.18	1.32	1.46	1.62	1.80	<b>1.98</b>	<b>2.08</b>	Div'ds Decl'd per sh <sup>B</sup>	<b>2.50</b>
8.17	8.50	7.03	8.23	7.49	8.27	7.96	6.79	4.81	4.73	8.29	8.57	7.86	8.53	10.30	11.15	<b>10.95</b>	<b>11.75</b>	Cap'l Spending per sh	<b>13.95</b>
17.27	17.91	18.42	19.18	19.10	21.58	22.98	23.49	24.44	25.62	26.66	28.35	30.47	31.95	33.61	35.03	<b>38.55</b>	<b>42.85</b>	Book Value per sh	<b>57.70</b>
32.49	33.29	34.23	36.79	39.33	41.77	42.81	44.19	45.09	45.56	45.96	46.15	46.36	46.52	47.38	47.48	<b>48.00</b>	<b>49.00</b>	Common Shs Outst'g <sup>C</sup>	<b>52.00</b>
19.0	19.9	19.2	14.3	20.6	15.9	17.3	20.3	12.2	14.0	15.7	15.0	15.8	17.9	19.4	21.6	<b>21.6</b>	<b>21.6</b>	Avg Ann'l P/E Ratio	<b>16.0</b>
.97	1.09	1.09	.76	1.10	.86	.92	1.22	.81	.89	.98	.95	.89	.94	.98	1.14	<b>1.14</b>	<b>1.14</b>	Relative P/E Ratio	<b>1.00</b>
3.8%	3.6%	3.8%	3.5%	3.2%	2.6%	2.6%	3.2%	4.0%	3.2%	2.8%	2.8%	2.7%	2.7%	2.9%	2.6%	<b>2.6%</b>	<b>2.6%</b>	Avg Ann'l Div'd Yield	<b>3.3%</b>

CAPITAL STRUCTURE as of 3/31/17				2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
Total Debt \$1590.2 mill. Due in 5 Yrs \$350 mill.				2152.1	2144.7	1893.8	1830.4	1887.2	1927.8	1950.8	2121.7	2463.6	2460.5	<b>2500</b>	<b>2625</b>	Revenues (\$mill)	<b>3250</b>						
LT Debt \$1564.1 mill. LT Interest \$74.0 mill.				83.2	61.0	87.5	103.9	112.3	133.3	145.3	141.1	138.3	152.0	<b>160</b>	<b>180</b>	Net Profit (\$mill)	<b>250</b>						
(Total interest coverage: 3.9x) (47% of Cap'l)				36.5%	40.1%	34.0%	34.7%	36.2%	36.2%	35.0%	35.7%	36.4%	33.9%	<b>35.0%</b>	<b>35.0%</b>	Income Tax Rate	<b>35.0%</b>						
Leases, Uncapitalized Annual rentals \$7.0 mill.				3.9%	2.8%	4.6%	5.7%	6.0%	6.9%	7.4%	6.7%	5.6%	6.2%	<b>6.4%</b>	<b>6.9%</b>	Net Profit Margin	<b>7.7%</b>						
Pension Assets-12/16 \$787.1 mill.				58.1%	55.3%	53.5%	49.1%	43.2%	49.2%	49.4%	52.4%	49.3%	48.2%	<b>48.0%</b>	<b>48.0%</b>	Long-Term Debt Ratio	<b>41.0%</b>						
Oblig. \$1122.2 mill.				41.9%	44.7%	46.5%	50.9%	56.8%	50.8%	50.6%	47.6%	50.7%	51.8%	<b>52.0%</b>	<b>54.0%</b>	Common Equity Ratio	<b>59.0%</b>						
Pfd Stock None				2349.7	2323.3	2371.4	2291.7	2155.9	2576.9	2793.7	3123.9	3143.5	3213.5	<b>3550</b>	<b>3900</b>	Total Capital (\$mill)	<b>5100</b>						
Common Stock 47,559,471 shs. as of 4/28/17				2845.3	2983.3	3034.5	3072.4	3218.9	3343.8	3486.1	3658.4	3891.1	4132.0	<b>4300</b>	<b>4500</b>	Net Plant (\$mill)	<b>5250</b>						
MARKET CAP: \$3.7 billion (Mid Cap)				5.5%	4.5%	5.4%	6.1%	6.4%	6.4%	6.3%	5.7%	5.5%	5.8%	<b>5.5%</b>	<b>5.5%</b>	Return on Total Cap'l	<b>6.0%</b>						
CURRENT POSITION				8.5%	5.9%	7.9%	8.9%	9.2%	10.2%	10.3%	9.5%	8.7%	9.1%	<b>8.5%</b>	<b>8.5%</b>	Return on Shr. Equity	<b>8.5%</b>						
2015				8.5%	5.9%	7.9%	8.9%	9.2%	10.2%	10.3%	9.5%	8.7%	9.1%	<b>8.5%</b>	<b>8.5%</b>	Return on Com Equity	<b>8.5%</b>						
2016				4.8%	2.1%	4.1%	5.1%	5.3%	6.1%	6.1%	5.0%	4.0%	4.1%	<b>3.5%</b>	<b>3.5%</b>	Retained to Com Eq	<b>4.0%</b>						
3/31/17				44%	63%	48%	43%	43%	40%	41%	47%	54%	55%	<b>59%</b>	<b>57%</b>	All Div'ds to Net Prof	<b>52%</b>						

**BUSINESS:** Southwest Gas Holdings, Inc. is the parent holding company of Southwest Gas and Centuri Construction Group. Southwest Gas is a regulated gas distributor serving about 2.0 million customers in sections of Arizona, Nevada, and California. Centuri provides construction services. 2016 margin mix: residential and small commercial, 85%; large commercial and industrial, 3%; transportation, 12%. Total throughput: 2.1 billion therms. Has 6,277 employees. Off. & dir. own 1.1% of common stock; BlackRock Inc., 11.3%; The Vanguard Group, Inc., 9.4% (3/17 Proxy). Chairman: Michael J. Melarkey. President & CEO: John Hester. Inc.: CA. Addr.: 5241 Spring Mountain Road, Las Vegas, Nevada 89193. Telephone: 702-876-7237. Internet: www.swgas.com.

**Shares of Southwest Gas Holdings have come off a high-water mark in recent months, following a sharp rally that began last October.** The company reported lackluster results for the March quarter. Revenues and share earnings were no match for the prior-year figures. Centuri Construction Group got off to a rough start this year, owing to poor weather conditions and a customer-initiated temporary work stoppage, and this business posted a greater deficit for the period. Utility revenues declined roughly 12%, though earnings were only slightly lower than the prior-year figure. Customer growth has remained positive here, with 30,000 net new accounts added over the past 12 months.

**The board has increased the dividend by 10%.** Starting with the June payout, the quarterly dividend is now \$0.495. The dividend should continue to increase at a good pace in the coming years.

**The Arizona general rate case has been settled.** The Arizona Corporation Commission has approved the settlement, effective April 1st. This provides for a revenue increase of \$16 million and a decline in depreciation of \$45 million over the following 12 months, as well as infrastructure replacement mechanisms, a property tax tracker, and the continuation of a decoupled rate design.

**We anticipate better results going forward.** The natural gas business should continue to benefit from customer growth, expansion projects, rate relief, and infrastructure tracker mechanisms. Elsewhere, we expect healthy improvement from Centuri in the seasonally stronger warmer months. Looking further out, this operation ought to benefit from the ongoing need to replace aging infrastructure.

**This stock is untimely.** Long-term appreciation potential is limited, as the shares presently trade well within our Target Price Range. Growth in the payout has been healthy over the past decade, though the dividend yield remains unimpressive for a utility. But Southwest Gas does earn favorable marks for Price Stability, Growth Persistence, and Earnings Predictability. A pullback in the stock price some time in the future may offer conservative investors a better entry point.

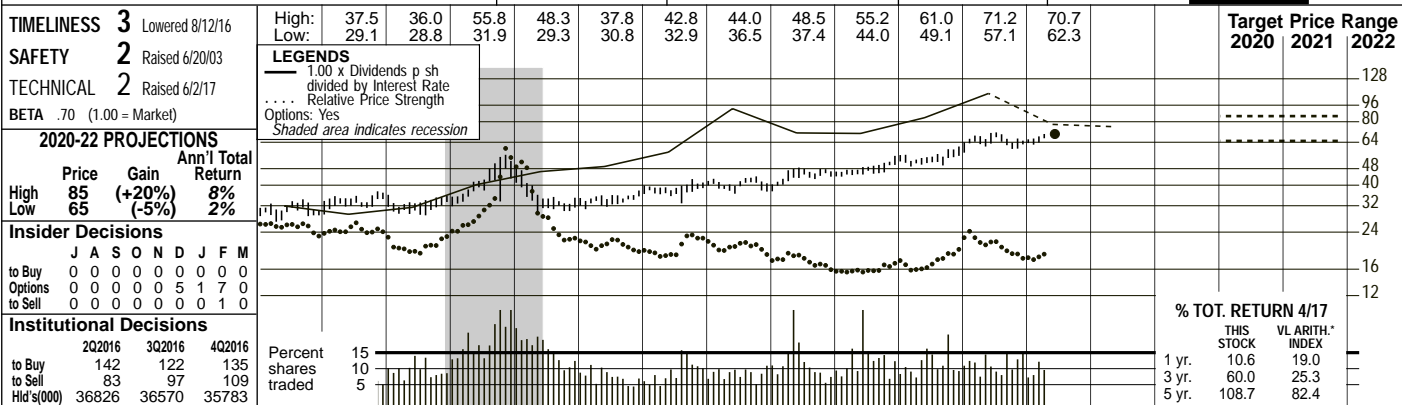
*Michael Napoli, CFA June 2, 2017*

<p>(A) Diluted earnings. Excl. nonrec. gains (losses): '02, (10c); '05, (11c); '06, 7c. Next egs. report due early August. (B) Dividends historically paid early March, June, September, and December. (C) Div'd reinvestment and stock purchase plan avail. (D) Totals may not sum due to rounding.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Company's Financial Strength</td> <td>B++</td> </tr> <tr> <td>Stock's Price Stability</td> <td>85</td> </tr> <tr> <td>Price Growth Persistence</td> <td>85</td> </tr> <tr> <td>Earnings Predictability</td> <td>90</td> </tr> </table>	Company's Financial Strength	B++	Stock's Price Stability	85	Price Growth Persistence	85	Earnings Predictability	90
Company's Financial Strength	B++								
Stock's Price Stability	85								
Price Growth Persistence	85								
Earnings Predictability	90								

# SPIRE INC. NYSE-SR

RECENT PRICE **70.05** P/E RATIO **20.2** (Trailing: 21.4 Median: 15.0) RELATIVE P/E RATIO **1.04** DIV'D YLD **3.0%**

**VALUE LINE**



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
53.08	39.84	54.95	59.59	75.43	93.51	93.40	100.44	85.49	77.83	71.48	49.90	31.10	37.68	45.59	33.68	<b>37.50</b>	<b>44.35</b>	Revenues per sh <sup>A</sup>	<b>58.50</b>
3.00	2.56	3.15	2.79	2.98	3.81	3.87	4.22	4.56	4.11	4.62	4.58	3.12	3.87	6.15	6.16	<b>6.20</b>	<b>6.80</b>	"Cash Flow" per sh	<b>8.15</b>
1.61	1.18	1.82	1.82	1.90	2.37	2.31	2.64	2.92	2.43	2.86	2.79	2.02	2.35	3.16	3.24	<b>3.40</b>	<b>3.70</b>	Earnings per sh <sup>A B</sup>	<b>4.65</b>
1.34	1.34	1.34	1.35	1.37	1.40	1.45	1.49	1.53	1.57	1.61	1.66	1.70	1.76	1.84	1.96	<b>2.10</b>	<b>2.20</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>2.50</b>
2.51	2.80	2.67	2.45	2.84	2.97	2.72	2.57	2.36	2.56	3.02	4.83	4.00	3.96	6.68	6.42	<b>6.75</b>	<b>6.90</b>	Cap'l Spending per sh	<b>7.10</b>
15.26	15.07	15.65	16.96	17.31	18.85	19.79	22.12	23.32	24.02	25.56	26.67	32.00	34.93	36.30	38.73	<b>39.50</b>	<b>41.85</b>	Book Value per sh <sup>D</sup>	<b>48.30</b>
18.88	18.96	19.11	20.98	21.17	21.36	21.65	21.99	22.17	22.29	22.43	22.55	32.70	43.18	43.36	45.65	<b>48.00</b>	<b>48.50</b>	Common Shs Outst'g <sup>E</sup>	<b>50.00</b>
14.5	20.0	13.6	15.7	16.2	13.6	14.2	14.3	13.4	13.7	13.0	14.5	21.3	19.8	16.5	19.6	<b>16.5</b>	<b>19.0</b>	Avg Ann'l P/E Ratio	<b>16.0</b>
.74	1.09	.78	.83	.86	.73	.75	.86	.89	.87	.82	.92	1.20	1.04	.83	1.03	<b>1.03</b>	<b>1.03</b>	Relative P/E Ratio	<b>1.00</b>
5.7%	5.7%	5.4%	4.7%	4.4%	4.3%	4.4%	3.9%	3.9%	4.7%	4.3%	4.1%	4.0%	3.8%	3.5%	3.1%	<b>3.1%</b>	<b>3.1%</b>	Avg Ann'l Div'd Yield	<b>3.4%</b>

CAPITAL STRUCTURE as of 3/31/17				2001-2018														20-22	
Total Debt \$2492.7 mill. Due in 5 Yrs \$400.0 mill.				2021.6	2209.0	1895.2	1735.0	1603.3	1125.5	1017.0	1627.2	1976.4	1537.3	<b>1800</b>	<b>2150</b>	Revenues (\$mill) <sup>A</sup>	<b>2925</b>		
LT Debt \$1925.3 mill. LT Interest \$70.0 mill.				49.8	57.6	64.3	54.0	63.8	62.6	52.8	84.6	136.9	144.2	<b>165</b>	<b>180</b>	Net Profit (\$mill)	<b>230</b>		
(Total interest coverage: 4.1x)				33.4%	31.3%	33.6%	33.4%	31.4%	29.6%	25.0%	27.6%	31.2%	32.5%	<b>21.5%</b>	<b>23.5%</b>	Income Tax Rate	<b>24.0%</b>		
Leases, Uncapitalized Annual rentals \$11.0 mill.				2.5%	2.6%	3.4%	3.1%	4.0%	5.6%	5.2%	6.9%	9.4%	<b>9.1%</b>	<b>8.4%</b>	Net Profit Margin	<b>7.9%</b>			
Pension Assets-9/16 \$540.5 mill.				45.3%	44.4%	42.9%	40.5%	38.9%	36.1%	46.6%	55.1%	53.0%	50.9%	<b>50.5%</b>	<b>50.0%</b>	Long-Term Debt Ratio	<b>49.0%</b>		
Oblig. \$724.5 mill.				54.6%	55.5%	57.1%	59.5%	61.1%	63.9%	53.4%	44.9%	47.0%	49.1%	<b>49.5%</b>	<b>50.0%</b>	Common Equity Ratio	<b>51.0%</b>		
Pfd Stock None				784.5	876.1	906.3	899.9	937.7	941.0	1959.0	3359.4	3345.1	3601.9	<b>3820</b>	<b>4050</b>	Total Capital (\$mill)	<b>4755</b>		
Common Stock 48,258,599 shs. as of 4/28/17				793.8	823.2	855.9	884.1	928.7	1019.3	1776.6	2759.7	2941.2	3300.9	<b>3465</b>	<b>3640</b>	Net Plant (\$mill)	<b>4215</b>		
MARKET CAP: \$3.4 billion (Mid Cap)				8.5%	8.1%	8.7%	7.4%	8.1%	7.9%	3.3%	3.1%	5.1%	4.9%	<b>5.0%</b>	<b>5.0%</b>	Return on Total Cap'l	<b>5.5%</b>		
CURRENT POSITION				11.6%	11.8%	12.4%	10.1%	11.1%	10.4%	5.0%	5.6%	8.7%	8.2%	<b>8.5%</b>	<b>9.0%</b>	Return on Shr. Equity	<b>9.5%</b>		
(SMILL.)				11.6%	11.8%	12.4%	10.1%	11.1%	10.4%	5.0%	5.6%	8.7%	8.2%	<b>8.5%</b>	<b>9.0%</b>	Return on Com Equity	<b>9.5%</b>		
Cash Assets				4.3%	5.2%	5.9%	3.6%	4.9%	4.3%	1.0%	1.5%	3.7%	3.3%	<b>3.5%</b>	<b>3.5%</b>	Retained to Com Eq	<b>4.5%</b>		
Other				63%	56%	53%	64%	56%	59%	81%	73%	58%	59%	<b>62%</b>	<b>59%</b>	All Div'ds to Net Prof	<b>54%</b>		
Current Assets				<b>BUSINESS:</b> Spire Inc., formerly known as the Laclede Group, Inc., is a holding company for natural gas utilities, which distributes natural gas across Missouri, including the cities of St. Louis and Kansas City. Has roughly 1.6 million customers. Acquired Missouri Gas 9/13, Alabama Gas Co 9/14. Utility terms sold and transported in fiscal 2016: 2.6 bill. Revenue mix for regulated operations: residen-															

**lion each for Laclede Gas and Missouri Gas, which should help boost the top line, and cause recoveries to be higher for infrastructure replacement. These new rates took effect on June 1st.**

**The Spire STL Pipeline appears to be on track.** The company filed an amendment in April, which changes the route over the last six miles, and will allow for fewer disruptions and lower upgrading costs. It will likely be in service by fiscal 2019 and cost between \$190 million and \$210 million in capital expenditures. The pipeline will permit cheaper natural gas to flow into the coverage area. Once in service, it should add to profits, as pipelines generally have higher allowable rates.

**Shares of Spire are neutrally ranked for Timeliness.** These shares are trading within our long-term Target Price Range, but offer a well-covered dividend with ample room for growth. The balance sheet remains in solid condition, and the stock has an Above Average mark for Safety (2). Still, we think that long-term income investors would do well to wait for a dip in price.

ANNUAL RATES				2001-2018														20-22	
of change (per sh)				2021.6	2209.0	1895.2	1735.0	1603.3	1125.5	1017.0	1627.2	1976.4	1537.3	<b>1800</b>	<b>2150</b>	Revenues (\$mill) <sup>A</sup>	<b>2925</b>		
"Cash Flow"				49.8	57.6	64.3	54.0	63.8	62.6	52.8	84.6	136.9	144.2	<b>165</b>	<b>180</b>	Net Profit (\$mill)	<b>230</b>		
Earnings				33.4%	31.3%	33.6%	33.4%	31.4%	29.6%	25.0%	27.6%	31.2%	32.5%	<b>21.5%</b>	<b>23.5%</b>	Income Tax Rate	<b>24.0%</b>		
Dividends				2.5%	2.6%	3.4%	3.1%	4.0%	5.6%	5.2%	6.9%	9.4%	<b>9.1%</b>	<b>8.4%</b>	Net Profit Margin	<b>7.9%</b>			
Book Value				45.3%	44.4%	42.9%	40.5%	38.9%	36.1%	46.6%	55.1%	53.0%	50.9%	<b>50.5%</b>	<b>50.0%</b>	Long-Term Debt Ratio	<b>49.0%</b>		

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(A) Fiscal year ends Sept. 30th. (B) Based on diluted shares outstanding. Excludes nonrecurring loss: '06, 7c. Excludes gain from discontinued operations: '08, 94c. Next earnings report due late July. (C) Dividends historically paid in early January, April, July, and October. (D) Dividend reinvestment plan available. (E) Incl. deferred charges. In '16: \$607.3 mill., \$13.70/sh. (F) In millions. (G) Qty. egs. may not sum due to rounding or change in shares outstanding in 2014 and 2016.

**Company's Financial Strength** B++  
**Stock's Price Stability** 100  
**Price Growth Persistence** 40  
**Earnings Predictability** 85

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John E. Seibert III June 2, 2017