

SOUTH JERSEY INDUSTRIES INC

Form 424B5

April 20, 2018

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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-211259

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Equity Units		
Stock Purchase Contracts	\$ 287,500,000 ⁽¹⁾	\$ 35,793.15 ⁽²⁾
Common stock, par value \$1.25 per share		
Junior Subordinated Debt Securities		

Notes:—

Represents an aggregate amount of \$287,500,000 of stated amount of Equity Units offered hereby, assuming exercise in full of the underwriters' option to purchase additional shares, and a maximum aggregate amount of ⁽¹⁾ \$287,500,000 of the Common Stock for which consideration will be received upon settlement of the purchase contracts.

⁽²⁾ Calculated pursuant to Rules 457(i), 457(o) and 457(r) under the Securities Act.

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PROSPECTUS SUPPLEMENT

South Jersey Industries, Inc.

**5,000,000 Equity Units
(Initially Consisting of 5,000,000 Corporate Units)**

This is an offering of Equity Units (Equity Units) by South Jersey Industries, Inc. (SJI). Each Equity Unit will have a stated amount of \$50 and initially will be in the form of a Corporate Unit (Corporate Unit) consisting of a purchase contract issued by SJI to purchase shares of our common stock and a 1/20, or 5%, undivided beneficial ownership interest in \$1,000 principal amount of SJI s 2018 Series A 3.70% remarketable junior subordinated notes due 2031, which we refer to as the RSNs.

We intend to apply to list the Corporate Units on the New York Stock Exchange, or NYSE, and expect trading to commence within 30 days of the date of initial issuance of the Corporate Units, but there is no guarantee that such listing will be approved. Prior to this offering, there has been no public market for the Corporate Units.

Shares of our common stock trade on the NYSE under the symbol SJI. On April 18, 2018, the last reported sale price of the shares as reported on the NYSE was \$30.11 per share.

Concurrently with this offering of Equity Units, we are offering, by means of a separate prospectus supplement, 11,016,949 shares of our common stock, of which 6,779,661 shares relate to a forward sale agreement between SJI and Bank of America, N.A. (or 12,669,491 shares of our common stock in total if the underwriters of that offering exercise in full their option to purchase additional shares of common stock, solely to cover over-allotments). This offering of Equity Units is not contingent on the concurrent offering of common stock and the concurrent offering of common stock is not contingent upon this offering of Equity Units. See Summary—Concurrent Offering in this prospectus supplement.

Investing in the Equity Units involves risks. Please read Risk Factors beginning on page S-32 of this prospectus supplement and on page 5 of the accompanying prospectus.

Neither the Securities and Exchange Commission (SEC) nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Corporate Unit	Total
Public Offering Price	\$ 50.00	\$ 250,000,000.00
Underwriting Discounts and Commissions	\$ 1.50	\$ 7,500,000.00
Proceeds, Before Expenses, to SJI	\$ 48.50	\$ 242,500,000.00

We have granted the underwriters the option to purchase, within a 13-day period beginning on, and including, the first date of original issuance for the Corporate Units, up to an additional 750,000 Corporate Units, solely to cover over-allotments.

The underwriters expect to deliver the Corporate Units to purchasers in book-entry form only through The Depository Trust Company on or about April 23, 2018.

(continued on next page)

Joint Book-Running Managers

BofA Merrill Lynch Guggenheim Securities Wells Fargo Securities

Co-Managers

TD Securities J.P. Morgan Morgan Stanley PNC Capital Markets LLC

The date of this prospectus supplement is April 18, 2018

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The purchase contract will obligate you to purchase from SJI, on April 15, 2021 (or if such day is not a business day, on the following business day), for a price of \$50 in cash, the following number of shares of our common stock, subject to anti-dilution adjustments:

if the applicable market value, which is the average volume-weighted average price of our common stock for the trading days during the 20 consecutive scheduled trading-day period ending on the second scheduled trading day prior to April 15, 2021, subject to adjustment as described herein if a market disruption event occurs, equals or exceeds \$35.40, 1.4124 shares of our common stock;

if the applicable market value is less than \$35.40 but greater than \$29.50, a number of shares of our common stock equal to \$50 *divided by* the applicable market value, rounded to the nearest ten thousandth of a share; and

if the applicable market value is less than or equal to \$29.50, 1.6949 shares of our common stock.

SJI will pay you quarterly contract adjustment payments at a rate of 3.55% per year on the stated amount of \$50 per Equity Unit, or \$1.775 per year, in respect of each purchase contract, subject to our right to defer these payments, as described in this prospectus supplement. No deferral period will extend beyond the purchase contract settlement date.

The contract adjustment payments are payable quarterly on January 15, April 15, July 15 and October 15 of each year (except that if such date is not a business day, contract adjustment payments will be payable on the following business day, without adjustment), commencing on July 15, 2018. The contract adjustment payments will be subordinated to all of our existing and future Priority Indebtedness (as defined under Description of the Remarketable Junior Subordinated Notes—Subordination), and will be structurally subordinated to all liabilities of our subsidiaries.

The RSNs will initially bear interest at a rate of 3.70% per year. The RSNs will be subordinated to all of SJI's existing and future Priority Indebtedness (as defined under Description of the Remarketable Junior Subordinated Notes—Subordination). In addition, the RSNs will be structurally subordinated to all liabilities of our subsidiaries.

We will have the right to defer interest payments on the RSNs one or more times for one or more consecutive interest periods without giving rise to an event of default; *provided* that no deferral period will extend beyond the purchase contract settlement date or the maturity date, as applicable. The RSNs will be remarketed in 2021 as described in this prospectus supplement. Following any successful remarketing of the RSNs, the interest rate on the RSNs will be reset, interest will be payable on a semi-annual basis and we will cease to have the ability to redeem the RSNs at our option or defer interest payments on the RSNs, all as described under Description of the Purchase Contracts—Remarketing. Your ownership interest in the RSNs (or after a successful optional remarketing, your related ownership interest in the Treasury portfolio or, in certain circumstances, cash) or the Treasury securities, as the case may be, will be pledged to us to secure your obligation under the related purchase contract.

Other than during a blackout period (as defined under Description of the Equity Units—Creating Treasury Units by Substituting a Treasury Security for an RSN) or after a successful remarketing of the RSNs, you can create Treasury Units (Treasury Units) from Corporate Units by substituting Treasury securities for your pledged ownership interest in the RSNs comprising a part of the Corporate Units. You can also recreate Corporate Units from Treasury Units by substituting an undivided beneficial ownership interest in the RSNs for the Treasury securities previously pledged and comprising a part of your Treasury Units.

If there is a successful optional remarketing of the RSNs and, at such time, you hold Corporate Units, your applicable ownership interest in the Treasury portfolio purchased with the proceeds from the remarketing (or, in certain circumstances, cash) will be used to satisfy your payment obligation under the purchase contract. If there is a successful final remarketing of the RSNs and you hold Corporate Units, the proceeds from the remarketing will be used to satisfy your payment obligation under the purchase contract, unless you have elected to settle with separate cash.

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Prospectus

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We have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement or the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

We are not, and the underwriters are not, making an offer to sell the common stock in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus and in the documents incorporated by reference herein and therein or that is contained in any free writing prospectus issued by us is accurate only as of their respective dates. Our business, financial condition, results of operation and prospects may have changed since those dates.

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About this Prospectus Supplement

We provide information to you about the common stock in two separate documents: (1) this prospectus supplement, which describes the specific terms of the common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in that prospectus and (2) the accompanying prospectus, which provides general information about securities we may offer from time to time, including securities other than the common stock being offered by this prospectus supplement. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

It is important for you to read and consider all of the information contained in this prospectus supplement, the documents incorporated by reference herein and the accompanying prospectus in making your investment decision. You also should read and consider the information in the documents we have referred you to in [Where You Can Find Additional Information](#) and [Incorporation by Reference](#) in this prospectus supplement and the accompanying prospectus.

We include cross-references in this prospectus supplement and the accompanying prospectus to captions in these materials where you can find additional related discussions. The table of contents in this prospectus supplement provides the pages on which these captions are located.

Unless otherwise indicated or the context otherwise requires, references in this prospectus supplement to [SJI](#), the Company, [we](#), [us](#) and [our](#) refer to South Jersey Industries, Inc. and its subsidiaries.

All references in this prospectus supplement to the Annual Report on Form 10-K for the year ended December 31, 2017 refer to the Annual Report on Form 10-K, as filed with the SEC on February 26, 2018, as amended by Form 10-K/A, as filed with the SEC on March 1, 2018.

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**Special Note Regarding
Forward-Looking Statements**

This prospectus supplement, including information incorporated by reference, contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995.

All statements other than statements of historical fact, including statements regarding guidance, industry prospects or future results of operations or financial position, are forward-looking. We use words such as anticipate, believe, expect, estimate, forecast, goal, intend, objective, plan, project, seek, strategy, target, will a identify forward-looking statements. These forward-looking statements are based on the beliefs and assumptions of management at the time that these disclosures were prepared and are inherently uncertain. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. These risks and uncertainties include, but are not limited to the risks set forth under Risk Factors in this prospectus supplement and in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017, incorporated by reference herein, and our ability to realize the expected benefits, cost savings or other synergies from acquisitions, including the Acquisition of Elizabethtown Gas and Elkton Gas, on a timely basis or at all.

These risks and uncertainties, as well as other risks and uncertainties that could cause our actual results to differ materially from those expressed in the forward-looking statements, are described in greater detail under the heading Risk Factors in this prospectus supplement, under Risk Factors in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017 and in our other SEC filings incorporated by reference into this prospectus supplement. While we believe these forward-looking statements to be reasonable, no assurance can be given that any goal or plan set forth in any forward-looking statement can or will be achieved, and readers are cautioned not to place undue reliance on such statements, which speak only as of the date they are made. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law, you are advised to consult any additional disclosures we make in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. See Where You Can Find Additional Information.

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Summary

The following summary should be read together with the information contained or incorporated by reference in other parts of this prospectus supplement and the accompanying prospectus. This summary highlights selected information from this prospectus supplement and the accompanying prospectus about our business and the offering of our common stock. For a more complete understanding of our Company and this offering, we encourage you to read this prospectus supplement and the accompanying prospectus, including the documents we incorporate by reference into the prospectus supplement and the prospectus, carefully to understand fully our common stock as well as other considerations that are important in deciding whether to invest in our common stock. You should pay special attention to the Risk Factors section beginning on page S-32 of this prospectus supplement, page 5 of the accompanying prospectus and the Risk Factors section in our Annual Report on Form 10-K for the year ended December 31, 2017, incorporated by reference herein, to determine whether an investment in our common stock is appropriate for you.

South Jersey Industries

South Jersey Industries, Inc. (SJI), a New Jersey corporation, was formed in 1969 for the purpose of owning and holding all of the outstanding common stock of South Jersey Gas Company, a public utility, and acquiring and developing non-utility lines of business. The Company's Board of Directors has approved an amendment to its Certificate of Incorporation to change the Company's name from South Jersey Industries, Inc. to SJI, Inc. The Company's shareholders are scheduled to vote on the amendment to the Certificate of Incorporation to change the Company's name at its Annual Meeting to be held on May 11, 2018. SJI currently provides a variety of energy-related products and services, primarily through the following wholly-owned subsidiaries:

South Jersey Gas Company (SJG)

SJG, a New Jersey corporation, is an operating public utility company engaged in the purchase, transmission and sale of natural gas for residential, commercial and industrial use. SJG also sells natural gas and pipeline transportation capacity (off-system sales) on a wholesale basis to various customers on the interstate pipeline system and transports natural gas purchased directly from producers or suppliers to their customers. SJG contributed approximately \$72.6 million to SJI's net income on a consolidated basis in 2017.

SJG's service territory covers approximately 2,500 square miles in the southern part of New Jersey. It includes 115 municipalities throughout Atlantic, Cape May, Cumberland and Salem Counties and portions of Burlington, Camden and Gloucester Counties, with an estimated permanent population of 1.2 million. SJG benefits from its proximity to Philadelphia, Pennsylvania and Wilmington, Delaware on the western side of its service territory and the popular shore communities on the eastern side. Continuing expansion of SJG's infrastructure throughout its seven-county region has fueled annual customer growth and creates opportunities for future extension into areas not yet served by natural gas.

South Jersey Energy Solutions, LLC (SJES)

South Jersey Energy Solutions, LLC (SJES), a direct subsidiary of SJI, is a holding company for all of SJI's non-utility businesses. Within SJES, we group our nonutility operations into Energy Group and Energy Services. Energy Group includes wholesale energy, retail gas and other, and retail electric operations. Energy Services includes on-site energy production. The following businesses are wholly-owned subsidiaries of SJES:

Energy Group:

South Jersey Energy Company (SJE) provides services for the acquisition and transportation of natural gas and electricity for retail end users and markets total energy management services. SJE markets natural gas and electricity to commercial and industrial customers. SJE became active in the residential market for electricity beginning in March 2016 as a result of several municipal aggregation bids won in the second half of 2015. Most customers served by SJE are located within New Jersey, northwestern Pennsylvania and New England. In 2017, SJE contributed approximately \$1.3 million to SJI's net income on a consolidated basis.

South Jersey Resources Group, LLC (SJRG) markets natural gas storage, commodity and transportation assets along with fuel management services on a wholesale basis. Customers include energy marketers, electric and gas utilities, power plants and natural gas producers. SJRG's marketing activities occur mainly in the mid-Atlantic, Appalachian and southern regions of the country.

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SJRG also conducts price risk management activities by entering into a variety of physical and financial transactions including forward contracts, swap agreements, option contracts and futures contracts. In 2017, SJRG had a net loss of approximately \$23.5 million which reduced SJI's net income on a consolidated basis by such amount.

South Jersey Exploration, LLC (SJEX) owns oil, gas and mineral rights in the Marcellus Shale region of Pennsylvania. SJEX is a wholly-owned subsidiary of SJES and is also considered part of SJI's wholesale energy operations. In 2017, SJEX contributed approximately \$0.2 million to SJI's net income on a consolidated basis.

Energy Services:

Marina Energy, LLC (Marina) develops and operates on-site energy-related projects. Marina's largest wholly-owned operating project provides cooling, heating and emergency power to the Borgata Hotel Casino & Spa in Atlantic City, New Jersey. Marina also owns numerous solar generation projects.

SJI Midstream, LLC (Midstream) owns a 20% equity investment in PennEast Pipeline Company, LLC, through which SJI, along with other investors, expect to construct an approximately 118-mile natural gas pipeline that will extend from Northeastern Pennsylvania into New Jersey. Construction is expected to begin in 2018 and is estimated to be completed in the second half of 2019. In 2017, Midstream contributed approximately \$4.6 million to SJI's net income on a consolidated basis.

Our Strategy

SJI's primary strategic focus is our core utility business and the natural extensions of that business. This focus enables us to concentrate on business activities that match our core competencies. Our long-term goals are to: (1) Grow Economic Earnings to \$160 million by 2020; (2) Improve the quality of earnings; (3) Maintain the strength of the balance sheet; and (4) Maintain a low-to-moderate risk profile. Going forward we expect to pursue business opportunities that fit this model and provide us with the opportunity to achieve our goals, including by increasing our regulated business mix. Our key strategic priorities are as follows:

Pursue high-quality earnings growth

SJI's stated goal is to grow Economic Earnings to \$160 million by 2020. The Company estimates its capital expenditures, inclusive of affiliate investments, will be approximately \$1.2 billion over the next three years, of which approximately 98% is related to SJG and SJI Midstream. As a result of these investments, the Company expects net income from SJG and SJI Midstream to account for approximately 70-80% of SJI's total net income by 2020.

Growth in our utility business, combined with our acquisition of the Elizabethtown Business (as discussed below under *Recent Developments*) is expected to accelerate a shift to a greater regulated business mix.

Growth in our existing utility business comes from both customer growth and utility infrastructure investment. Customers for SJG grew 1.6% for 2017 as SJG continues its focus on customer conversions. In 2017, the 6,108 consumers converting their homes and businesses from other heating fuels, such as electric, propane or oil, to natural gas represented approximately 71% of the total new customer acquisitions for the year. In comparison, conversions over the past five years averaged 5,480 annually. Customers in SJG's service territory typically base their decisions to convert on comparisons of fuel costs, environmental considerations and efficiencies. Natural gas currently offers a significant price advantage relative to other forms of fuel for customers, in addition to efficiency and environmental advantages. SJG has begun a comprehensive partnership with the State of New Jersey's Office of Clean Energy to educate consumers on energy efficiency and to promote the rebates and incentives available to natural gas users.

Continuing expansion of South Jersey Gas' s infrastructure throughout its seven-county region has also led to customer growth and created opportunities for future extension into areas not yet served by natural gas. At present, SJG serves approximately 71% of households within its territory with natural gas. SJG believes that the ongoing transition of southern New Jersey' s oceanfront communities from seasonal resorts to year-round economies will further contribute to SJG' s customer growth. We also expect building expansions in the medical, education and retail sectors within mainland communities to drive additional growth.

Investments in our utility business, which are expected to total more than \$1 billion over the next five years, are supported by a constructive New Jersey regulatory environment. We expect our regulator, the New Jersey

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Board of Public Utilities (BPU), to continue to set rates and establish terms of service that allow SJG to obtain a fair and reasonable return on capital invested. Further, the BPU has put in place certain programs that incentivize prudent investments in our utility system. For example, in February 2013, the BPU approved the Accelerated Infrastructure Replacement Program (AIRP), a \$141.2 million program to replace cast iron and unprotected bare steel mains and services over a four-year period. Additionally, the BPU issued an Order approving an extension of the AIRP for a five-year period (AIRP II), commencing October 1, 2016, with authorized investments of up to \$302.5 million to continue replacing cast iron and unprotected bare steel mains and associated services. SJG earns a return on AIRP II investments as they are made and through annual base rate adjustments. Further, in August 2014, the BPU approved a Storm Hardening and Reliability Program (SHARP), a \$103.5 million program to replace low-pressure distribution mains and services with high-pressure mains and services in coastal areas that are susceptible to flooding during major storms over a three-year period. In November 2017, SJG filed a petition with the BPU to continue its storm hardening program (SHARP II), proposing a three-year effort and total investment of \$110.25 million. SJG earns a return on SHARP investments as they are made and through annual base rate adjustments.

In addition to SJG, we expect SJI Midstream to further support our goal of high quality, regulated earnings growth. Design, engineering and environmental assessments continue moving forward on a natural gas pipeline in Pennsylvania and New Jersey. We expect FERC-level returns from our \$200 million investment in the PennEast Pipeline Project (PennEast). The pipeline is fully subscribed with 80% of capacity under 15-year agreements with multiple utility and energy affiliates of project sponsors. In September 2015, SJI Midstream, along with other partners in the project, submitted an application to FERC for a permit to proceed with PennEast s construction. In January 2018, the Certificate of Public Convenience and Necessity was approved by the FERC. This authorizes PennEast, of which Midstream has a 20% equity interest, to construct, install, own, operate and maintain this pipeline. In February 2018, the New Jersey Department of Environmental Protection filed a motion to the FERC for reconsideration of this approval. We expect to make additional investments in similar midstream projects.

Disciplined approach to non-regulated business

Consistent with our long-term strategy of growing earnings and improving the quality thereof through a shift to a greater regulated business mix, we are seeking to reposition our non-utility business to deemphasize the on-site energy production business within the Energy Services group of SJES. That includes exploring potential dispositions of some or all of the on-site energy production assets, depending on market conditions.

On-site energy production includes a 204MW portfolio of solar generation assets located in New Jersey, Maryland, Massachusetts and Vermont and the Marina Thermal Plant Cogeneration Facility, which serves Atlantic City s Borgata Hotel Casino & Spa through an existing long-term power purchase agreement. We also own four landfill gas electric generation facilities in in New Jersey.

Our wholesale gas marketing and fuel management business is expected to be an important source of future earnings and cash flow to SJI. Our wholesale gas marketing business has been a significant contributor to SJI s earnings over the last two decades through the management of leased gas transportation and storage capacity in and around the Marcellus shale region. We continue to actively monitor and manage risk within our retail and wholesale commodity businesses through a matched book approach and active hedging program. We adhere to a well-defined risk management policy approved by our Board of Directors that includes volumetric and monetary limits as well as detailed activity tracking on a daily basis.

Our fuel management business, a niche supplier of fuel supply management services, acquires valuable pipeline capacity that allows us to match end users, many of which are merchant generators, with producers who are looking to find a long-term home for their supply. With a total of six contracts online at full capacity and an additional five contracts executed, we are positioned to serve at least 10 gas-fired generators by 2020. As such, this business is

expected to demonstrate significant earnings growth over the next several years.

Maintain our commitment to a strong balance sheet

Our goal is to maintain a strong balance sheet and liquidity position in addition to solid investment grade credit ratings. We believe these afford us the financial flexibility necessary to take advantage of significant growth opportunities in our utility and regulated businesses. SJI's average equity-to-capitalization ratio was approximately 47% and 48% as calculated for the four quarters of 2017 and 2016, respectively. SJG's average

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equity-to-capitalization ratio was approximately 54% and 52% as calculated for the four quarters of 2017 and 2016, respectively. A strong balance sheet assists us in maintaining the financial flexibility necessary to address volatile economic and commodity markets while maintaining a low-to-moderate risk platform.

Recent Developments

On October 15, 2017, we entered into two separate definitive asset purchase agreements with Pivotal Utility Holdings, Inc. (Pivotal) to acquire (the Acquisition) the assets of New Jersey-based Elizabethtown Gas (the Elizabethtown Business or ETG) and Maryland-based Elkton Gas (the Elkton Business , and collectively with the Elizabethtown Business, the Acquired Business). Pursuant to the terms of the asset purchase agreements, the Company intends to acquire the Elizabethtown Business for an aggregate purchase price equal to \$1.69 billion in cash, and the Elkton Business for an aggregate purchase price equal to \$10 million in cash, in each case, subject to certain adjustments.

The Acquired Business consists of Elizabethtown Gas and Elkton Gas, two of seven natural gas distribution companies of The Southern Company, an energy company serving approximately 4.6 million natural gas utility customers. Elizabethtown Gas is a regulated natural gas utility that provides natural gas delivery service to approximately 292,000 residential, business and industrial natural gas customers in New Jersey through approximately 3.2 million miles of intrastate natural gas pipeline. In operation since 1855, the company serves parts of Union, Middlesex, Sussex, Warren, Hunterdon, Morris and Mercer counties. During the year ended December 31, 2017, Elizabethtown Gas reported unaudited total operating revenues, income before income tax and assets of approximately \$304.7 million, \$55.7 million, and \$1.43 billion, respectively. Elkton Gas provides natural gas delivery service to approximately 6,000 residential and business natural gas customers in the greater Elkton area in northeastern Maryland through approximately 100,000 miles of intrastate natural gas pipeline.

During the year ended December 31, 2017, Elkton Gas reported unaudited total operating revenues, income before income tax and assets of approximately \$7.3 million, \$0.4 million, and \$18.2 million, respectively.

Management expects to complete the Acquisition in mid-2018 subject to customary closing conditions, including regulatory approvals from the New Jersey Board of Public Utilities (NJBPU) and the Maryland Public Service Commission (MPSC). In addition, the transaction is subject to the requirements of the

Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The NJBPU, MPSC or interveners in the approval proceedings, could seek to block or challenge the Acquisition or the NJBPU or MPSC could impose restrictions they deem necessary or desirable in the public interest as a condition to approving the Acquisition. The asset purchase agreements contain other customary closing conditions which may not be satisfied or waived or may take longer than anticipated to satisfy. The Acquisition may not be completed or may be approved subject to unfavorable regulatory conditions, which could adversely affect anticipated benefits or our business, financial condition, results of operations or stock price. See Risk Factors—Risks Related to the Acquisition.

The asset purchase agreements contain certain termination rights for both us and Pivotal, including the right to terminate if the Acquisition is not completed by October 15, 2018 (subject to extension to January 15, 2019, under certain circumstances related to fulfillment of the regulatory approval closing conditions).

In light of the Acquisition, the potential disposition of Energy Services group on-site energy production assets and our other plans to finance the purchase price as further described below, we expect that our credit rating may be lowered upon consummation of the Acquisition. However, we believe that we will continue to maintain a solid investment grade rating.

Concurrent Offering

This offering is part of a larger financing transaction to provide funds for the Acquisition. Concurrently with the offering of the Equity Units, we are offering 11,016,949 shares of our common stock. In addition, we expect to enter into a forward sale agreement with Bank of America, N.A., as the forward purchaser, with respect to 6,779,661 shares of the 11,016,949 shares of our common stock offered in the concurrent offering. This offering of Equity Units is not contingent on the concurrent offering of common stock, and the concurrent offering of common stock is not contingent upon this offering of Equity Units.

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We also intend to issue \$250.0 million in aggregate principal amount of new senior unsecured notes (the Senior Unsecured Notes), to borrow \$530.0 million in aggregate principal amount of a new term loan facility (the Term Facility), to drawdown \$71.4 million in aggregate principal amount from our existing syndicated revolving credit facility (the Revolver) and \$314.9 million in aggregate principal amount from our bridge loan commitment (the Bridge Loan).

We intend to fund the Acquisition with the proceeds of this offering, the concurrent offering of shares of common stock, the issuance of the Senior Unsecured Notes, the borrowings under the Term Facility, the drawdown from the Revolver, the drawdown from the Bridge Loan and the potential disposition of Energy Services group on-site energy production assets. In connection with the asset purchase agreements, we have obtained a commitment from certain financial institutions for a bridge loan facility, which, may be used to fund a portion of the cash consideration payable in connection with the Acquisition and pay related fees and expenses in the event that this offering, the concurrent offering of the Equity Units, the issuance of the Senior Unsecured Notes, or the entry into the Term Facility are not completed or we do not pursue dispositions of Energy Services group on-site energy production assets. If we do not consummate the Acquisition, we will retain broad discretion to use all of the net proceeds from this offering for general corporate purposes.

General

Our principal executive offices are located at 1 South Jersey Plaza, Folsom, New Jersey 08037, and our telephone number at that address is (609) 561-9000.

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The Offering

In this offering summary, SJI, we, us, our and the Company refer only to South Jersey Industries, Inc. and any successor obligor, and not to any of its subsidiaries.

What are Equity Units?

Equity Units may be either Corporate Units or Treasury Units, as described below. The Equity Units will initially consist of 5,000,000 Corporate Units (or 5,750,000 Corporate Units if the underwriters exercise their over-allotment option in full), each with a stated amount of \$50. You can create Treasury Units from Corporate Units that you own as described below under [How can I create Treasury Units from Corporate Units?](#) You can also recreate Corporate Units from Treasury Units that you own as described below under [How can I recreate Corporate Units from Treasury Units?](#)

What are the components of a Corporate Unit?

Each Corporate Unit initially consists of a contract to purchase SJI's common stock in the future and a 1/20, or 5%, undivided beneficial ownership interest in \$1,000 principal amount of SJI's 2018 Series A 3.70% remarketable junior subordinated notes due 2031 (the RSNs). The undivided beneficial ownership interest in the RSNs corresponds to \$50 principal amount of the RSNs. Initially, the RSNs will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000. You will own the undivided beneficial ownership interest in the RSNs comprising part of each of your Corporate Units, but the RSNs will be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

Upon a successful optional remarketing (as defined under [What is an optional remarketing?](#)), the RSNs comprising part of the Corporate Units will be replaced by the Treasury portfolio described below under [What is the Treasury portfolio?](#) Once replaced, the applicable ownership interest in the Treasury portfolio will be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

What is a purchase contract?

Each purchase contract, whether part of a Corporate Unit or Treasury Unit, that is a component of an Equity Unit obligates you to purchase, and obligates us to sell, on April 15, 2021, or if such day is not a business day, the following business day (which we refer to as the [purchase contract settlement date](#)), for \$50 in cash, a number of shares of our common stock equal to the [settlement rate](#). You may satisfy your obligation to purchase our common stock under the purchase contracts as described under [How can I satisfy my obligation under the purchase contracts?](#) below.

The settlement rate will be calculated (subject to adjustment under the circumstances set forth in [Description of the Purchase Contracts—Anti-dilution Adjustments](#) and [Description of the Purchase Contracts—Early Settlement Upon a Fundamental Change](#)) as follows:

- if the applicable market value (as defined below) of our common stock is equal to or greater than the [threshold appreciation price](#) of \$35.40, the settlement rate will be 1.4124 shares of our common stock (we refer to this settlement rate as the [minimum settlement rate](#));
- if the applicable market value of our common stock is less than the threshold appreciation price but greater than the [reference price](#) of \$29.50, which will be the public offering price of our common stock in the concurrent common stock offering, the settlement rate will be a number of shares of our common stock equal to \$50 *divided by* the applicable market value, rounded to the nearest ten thousandth of a share; and
-

if the applicable market value of our common stock is less than or equal to the reference price, the settlement rate will be 1.6949 shares of our common stock (we refer to this settlement rate as the maximum settlement rate). The threshold appreciation price is equal to \$50 *divided by* the minimum settlement rate (such quotient rounded to the nearest \$0.01), which is \$35.40 and represents appreciation of 20% over the reference price.

Applicable market value means the average volume-weighted average price, or VWAP, of our common stock for the trading days during the 20 consecutive scheduled trading-day period ending on the second

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scheduled trading day immediately preceding the purchase contract settlement date (the market value averaging period). The VWAP of our common stock means, for the relevant trading day, the per share VWAP on the principal exchange or quotation system on which our common stock is listed or admitted for trading as displayed under the heading Bloomberg VWAP on Bloomberg page SJI <EQUITY> AQR (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading on the relevant trading day until the scheduled close of trading on the relevant trading day (or if such VWAP is unavailable, the market price of one share of our common stock on such trading day determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by us). A trading day means, for purposes of determining a VWAP or closing price, a day (i) on which the principal exchange or quotation system on which our common stock is listed or admitted for trading is scheduled to be open for business and (ii) on which there has not occurred or does not exist a market disruption event, as defined in Description of the Purchase Contracts—Purchase of Common Stock.

If 20 trading days for our common stock have not occurred during the market value averaging period, all remaining trading days will be deemed to occur on the second scheduled trading day immediately prior to the purchase contract settlement date, and the VWAP of our common stock for each of the remaining trading days will be the VWAP of our common stock on that second scheduled trading day or, if such day is not a trading day, the closing price, as defined in Description of the Purchase Contracts—Purchase of Common Stock, as of such date.

We will not issue any fractional shares of our common stock upon settlement of a purchase contract. Instead of a fractional share, you will receive an amount of cash equal to the percentage of a whole share represented by such fractional share multiplied by the closing price of our common stock on the trading day immediately preceding the purchase contract settlement date (or the trading day immediately preceding an early settlement date, in the case of early settlement). If, however, a holder surrenders for settlement at one time more than one purchase contract, then the number of shares of our common stock issuable pursuant to such purchase contracts will be computed based upon the aggregate number of purchase contracts surrendered.

Can I settle the purchase contract early?

Prior to the purchase contract settlement date, subject to certain blackout periods (as described herein), you can settle a purchase contract by paying \$50 in cash per Corporate Unit or Treasury Unit (and, under certain circumstances, accrued and unpaid contract adjustment payments payable on the next contract adjustment payment date). If you settle a purchase contract early, your pledged ownership interest in the RSNs, the applicable ownership interests in the Treasury portfolio or the Treasury securities underlying the relevant Treasury Unit will be released to you and 1.4124 shares of our common stock, subject to adjustments, will be issued to you pursuant to the purchase contract (subject to adjustment as described below under Description of the Purchase Contracts—Anti-dilution Adjustments), subject to the provisions described below under What happens if there is early settlement upon a fundamental change? with respect to early settlements upon a fundamental change. You may only elect early settlement in integral multiples of 20 Corporate Units or 20 Treasury Units; provided that, if the Treasury portfolio has replaced the RSNs as a component of the Corporate Units as a result of a successful optional remarketing, holders of Corporate Units may settle early only in integral multiples of 80,000 Corporate Units. See Description of the Purchase Contracts—Early Settlement.

Your early settlement right is subject to the condition that, if required under the U.S. federal securities laws, we have a registration statement under the Securities Act of 1933, as amended (the Securities Act), in effect and an available prospectus covering any securities deliverable upon settlement of a purchase contract. We have agreed that, if such a registration statement is required, we will use our commercially reasonable efforts to have a registration statement in effect on the applicable early settlement date and to provide a prospectus in connection therewith, covering any securities to be delivered in respect of the purchase contracts being settled, subject to certain exceptions. In the event that you seek to exercise your early settlement right and a registration statement is required to be effective in

connection with the exercise of such right but no such registration statement is then effective, your exercise of such right will be void unless and until such a registration statement is effective. For so long as there is a material business transaction or development that has not yet been publicly disclosed, we will not be required to file such registration statement or provide such a prospectus, and the early settlement right will not be available, until we have publicly disclosed such transaction or development; *provided* that we will use commercially reasonable efforts to make such disclosure as soon as it is commercially reasonable to do so.

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What is the Treasury portfolio?

Upon a successful optional remarketing, the RSNs will be replaced by the Treasury portfolio. The Treasury portfolio is a portfolio of U.S. Treasury securities consisting of:

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date in an aggregate amount at maturity equal to the principal amount of the RSNs underlying the undivided beneficial ownership interests in the RSNs included in the Corporate Units on the optional remarketing date; and

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date in an aggregate amount at maturity equal to the aggregate interest payment (assuming no reset of the interest rate) that would have been paid to the holders of the Corporate Units on the purchase contract settlement date on the principal amount of the RSNs underlying the undivided beneficial ownership interests in the RSNs included in the Corporate Units on the optional remarketing date.

If, on the optional remarketing date, U.S. Treasury securities (or principal or interest strips thereof) that are to be included in the Treasury portfolio have a yield that is less than zero, then the cash proceeds from the remarketing (and not the U.S. Treasury securities) will be substituted for the RSNs that are components of the Corporate Units and will be pledged to us through the collateral agent to secure the Corporate Unit holders' obligation to purchase our common stock under the purchase contracts. In addition, in such case, references to Treasury security and U.S. Treasury securities (or principal or interest strips thereof) in connection with the Treasury portfolio will, thereafter, be deemed to be references to such amount of cash.

What is a Treasury Unit?

A Treasury Unit is a unit created from a Corporate Unit by substituting the pledged undivided beneficial ownership interest in the RSNs that secures a holder's obligation under the purchase contract with a sufficient amount of Treasury securities. A Treasury Unit consists of a purchase contract and a 1/20, or 5%, undivided beneficial ownership interest in a zero-coupon U.S. Treasury security with a principal amount at maturity of \$1,000 that matures on or prior to April 15, 2021 (for example, CUSIP No. 9128204V6), which we refer to as a Treasury security. The ownership interest in the Treasury security that is a component of a Treasury Unit will be owned by you, but will be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

How can I create Treasury Units from Corporate Units?

Each holder of Corporate Units will have the right, at any time prior to a successful remarketing and other than during a blackout period, to substitute Treasury securities which must be purchased in the open market at the expense of the Corporate Unit holder (unless otherwise owned by the holder) for the related undivided beneficial ownership interest in RSNs held by the collateral agent. The Treasury securities must have an aggregate principal amount at maturity equal to the aggregate principal amount of the RSNs underlying such holder's Corporate Units. Because Treasury securities and the RSNs are issued in minimum denominations of \$1,000, holders of Corporate Units may only make these substitutions in integral multiples of 20 Corporate Units. Each of these substitutions will create Treasury Units, and the RSNs underlying the holder's Corporate Units will be released upon substitution to the holder and will be tradable separately from the Treasury Units.

How can I recreate Corporate Units from Treasury Units?

Each holder of Treasury Units will have the right, at any time prior to a successful remarketing and other than during a blackout period, to recreate Corporate Units, by substituting for the related Treasury securities held by the collateral agent RSNs having an aggregate principal amount equal to the aggregate principal amount at maturity of the Treasury

securities for which substitution is being made. Because Treasury securities and the RSNs are issued in minimum denominations of \$1,000, holders of Treasury Units may make these substitutions only in integral multiples of 20 Treasury Units. Each of these substitutions will recreate Corporate Units and the applicable Treasury securities will be released to the holder and will be tradable separately from the Corporate Units.

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What payments am I entitled to as a holder of Corporate Units?

Subject to any deferral as described under [Are payments subject to deferral?](#) below, holders of Corporate Units will be entitled to receive:

quarterly cash payments consisting of their pro rata share of interest payments on the RSNs, at the rate of 3.70% per year, and

quarterly contract adjustment payments at the rate of 3.55% per year on the stated amount of \$50 per Corporate Unit until the earliest of the occurrence of:

a termination event;

the purchase contract settlement date;

the fundamental change early settlement date (in the case of early settlement upon a fundamental change); or

the most recent contract adjustment payment date on or before any early settlement with respect to the related purchase contracts (in the case of early settlement other than upon a fundamental change).

Our obligations with respect to the contract adjustment payments will be subordinated and junior in right of payment to our obligations under any of our Priority Indebtedness (as defined under [Description of the Remarketable Junior Subordinated Notes—Subordination](#)).

What payments will I be entitled to if I convert my Corporate Units to Treasury Units?

Subject to any deferral as described under [Are payments subject to deferral?](#) below, holders of Treasury Units will be entitled to receive quarterly contract adjustment payments from us at the rate of 3.55% per year on the stated amount of \$50 per Treasury Unit. There will be no interest payments in respect of the interest in Treasury securities that is a component of the Treasury Units. To the extent that such holders of Treasury Units continue to hold the RSNs that were released to them when they created the Treasury Units, such holders will continue to receive the scheduled interest payments on their separate RSNs, subject to our right to defer such payments and subject to any modifications made thereto pursuant to a successful remarketing.

Are payments subject to deferral?

We have the right to defer all or part of the contract adjustment payments but not beyond the purchase contract settlement date (or, with respect to an early settlement upon a fundamental change, not beyond the fundamental change early settlement date or, with respect to an early settlement other than upon a fundamental change, not beyond the contract adjustment payment date immediately preceding the early settlement date).

Any deferred contract adjustment payments will accrue additional contract adjustment payments at the rate equal to 7.25% per annum (which is equal to the rate of total distributions on the Corporate Units), compounded on each contract adjustment payment date, to, but excluding, the contract adjustment payment date on which such deferred contract adjustment payments are paid. We refer to additional contract adjustment payments that accrue on deferred contract adjustment payments as compounded contract adjustment payments. We may pay any deferred contract adjustment payments (including compounded contract adjustment payments thereon) on any scheduled contract adjustment payment date.

If we exercise our option to defer the payment of contract adjustment payments, then until the deferred contract adjustment payments (including compounded contract adjustment payments thereon) have been paid, we generally will not declare or pay dividends or distributions on, or redeem, purchase or acquire or make a liquidation payment with respect to, any shares of our capital stock, or make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of our debt securities that upon a liquidation ranks on parity with, or junior to, the contract adjustment payments, or make any guarantee payments under any guarantee by us of securities of any of

our subsidiaries if our guarantee ranks on parity with, or junior to, the contract adjustment payments, in each case, subject to the exceptions set forth under Description of the Purchase Contracts—Contract Adjustment Payments.

In addition, prior to any successful remarketing of the RSNs, we may elect at one or more times to defer payment of interest on the RSNs for one or more consecutive interest periods; *provided* that no deferral period

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may extend beyond the purchase contract settlement date or the maturity date, as applicable. We may pay any deferred interest on any scheduled interest payment date occurring on or prior to the earlier of:

- (a) the purchase contract settlement date, in the case of a deferral period beginning prior to the purchase contract settlement date; or
 - (b) the maturity date, in the case of a deferral period beginning after the purchase contract settlement date.
- Deferred interest on the RSNs will bear interest at the interest rate applicable to the RSNs, compounded on each interest payment date to, but excluding, the interest payment date on which such deferred interest is paid.

In the event there is any deferred interest outstanding, we may not elect to conduct an optional remarketing. In connection with any successful remarketing during the final remarketing period, all accrued and unpaid deferred interest (including compounded interest thereon) will be paid to the holders of the RSNs (whether or not the RSNs were remarketed in the remarketing) on the purchase contract settlement date in cash.

In the event that we exercise our option to defer the payment of interest, then until the deferred interest payments (including compounded interest thereon) have been paid, we generally will not declare or pay dividends or distributions on, or redeem, purchase or acquire or make a liquidation payment with respect to, any shares of our capital stock, or make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of our debt securities that upon a liquidation rank on parity with, or junior to, the RSNs, or make any guarantee payments under any guarantee by us of securities of any of our subsidiaries if our guarantee ranks on parity with, or junior to, the RSNs, in each case, subject to the exceptions set forth under Description of the Remarketable Junior Subordinated Notes—Dividend and Other Payment Stoppages During Interest Deferral and Under Certain Other Circumstances.

In connection with any successful remarketing of the RSNs, the interest deferral provisions will cease to apply to the RSNs.

What are the payment dates for the Corporate Units and Treasury Units?

Subject to any deferral as described under Are payments subject to deferral? above, the payments described above in respect of the Equity Units will be payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year (except that if any such date is not a business day, interest and contract adjustment payments will be payable on the following business day, without adjustment for such delay), commencing July 15, 2018. We will make these payments to the person in whose name the Equity Unit is registered on the close of business on the record date, subject to certain exceptions described herein. The record date means the first day of the calendar month immediately preceding the month in which the relevant payment date falls (whether or not a business day).

What is a remarketing?

We refer to each of an optional remarketing and a final remarketing as a remarketing. In a remarketing, the RSNs that are a part of Corporate Units (except, with respect to a final remarketing, where the holder has elected to settle the purchase contract through payment of separate cash) and any separate RSNs which were formerly part of Corporate Units but are now held by a holder as a separate security (the separate RSNs) whose holders have elected to participate in the remarketing will be remarketed as described below under What is an optional remarketing? or, if no optional remarketing has occurred or is successful, in a final remarketing as described below under What is a final remarketing?

Following any successful remarketing of the RSNs:

the interest rate on the RSNs may be reset as described below and under "When will the interest rate on the RSNs be reset and what is the reset rate?" below;

interest will be payable on the RSNs semi-annually on April 15 and October 15 of each year;

the RSNs will cease to be redeemable at our option, and the provisions described under "Description of the

Remarketable Junior Subordinated Notes—Redemption at Our Option" and "—Redemption Procedures" will no longer apply to the RSNs; and

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we will cease to have the ability to defer interest payments on the RSNs, and the provisions described under

- Description of the Remarketable Junior Subordinated Notes—Option to Defer Interest Payments will no longer apply to the RSNs.

All such modifications will take effect only if the remarketing is successful, without the consent of holders, on the optional remarketing settlement date or the purchase contract settlement date, as the case may be, and will apply to all RSNs, whether or not included in the remarketing. All other terms of the RSNs will remain unchanged.

In order to remarket the RSNs, the remarketing agent, in consultation with us, may reset the interest rate on the RSNs (either upward or downward) in order to produce the required price in the remarketing, as discussed under What is an optional remarketing? and What is a final remarketing?

During the applicable blackout period relating to a remarketing:

- you may not settle a purchase contract early;

- you may not create Treasury Units; and

- you may not recreate Corporate Units from Treasury Units.

We have agreed to enter into a remarketing agreement with one or more remarketing agents, which we refer to as the remarketing agent, no later than 20 days prior to the first day of the final remarketing period or, if we elect to conduct an optional remarketing, no later than 20 days prior to the first day of the optional remarketing period. We will separately pay a fee to the remarketing agent for its services. The holders of the RSNs included in any remarketing will not be responsible for such fee.

What is an optional remarketing?

Unless a termination event has occurred, we may elect, at our option, to remarket the RSNs over a period selected by us that begins on or after January 13, 2021 (the second business day immediately preceding the interest payment date prior to the purchase contract settlement date) and ends any time on or before March 29, 2021 (the eighth calendar day prior to the beginning of the final remarketing period). In any optional remarketing, the aggregate principal amount of the RSNs that are a part of Corporate Units and any separate RSNs whose holders have elected to participate in the optional remarketing will be remarketed. We refer to this period as the optional remarketing period, a remarketing that occurs during the optional remarketing period as an optional remarketing and the date the RSNs are priced in an optional remarketing as the optional remarketing date. If we elect to conduct an optional remarketing, the remarketing agent will use its commercially reasonable efforts to obtain a price for the RSNs that results in proceeds of at least 100% of the aggregate of the price of the Treasury portfolio described above under What is the Treasury portfolio? which we refer to as the Treasury portfolio purchase price, and the separate RSNs purchase price as defined under

Description of the Remarketable Junior Subordinated Notes—Remarketing of RSNs That Are Not Included in Corporate Units. We will request that The Depository Trust Company, or DTC, which we refer to as the depository, notify its participants holding Corporate Units, Treasury Units and separate RSNs of our election to conduct an optional remarketing no later than five business days prior to the first day of the optional remarketing period.

We may not elect to conduct an optional remarketing if we are then deferring interest on the RSNs.

An optional remarketing will be considered successful if the remarketing agent is able to remarket the RSNs for a price of at least 100% of the Treasury portfolio purchase price and the separate RSNs purchase price.

Following a successful optional remarketing, on the optional remarketing settlement date (as defined below), the portion of the remarketing proceeds equal to the Treasury portfolio purchase price will, except as described in the following paragraph, be used to purchase the Treasury portfolio and the remaining proceeds attributable to the RSNs underlying the Corporate Units will be remitted to the purchase contract agent for distribution pro rata to the holders

of such Corporate Units on the optional remarketing settlement date. The portion of the proceeds attributable to the separate RSNs sold in the remarketing will be remitted to the custodial agent for distribution on the optional remarketing settlement date pro rata to the holders of such separate RSNs.

Following a successful optional remarketing, each Corporate Unit holder's applicable ownership interest in the Treasury portfolio or cash will be substituted for the holder's undivided beneficial ownership interest in the

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RSNs as a component of the Corporate Units, and the portion of the Treasury portfolio described in the first bullet under **What is the Treasury portfolio?** or such cash will be pledged to us through the collateral agent to secure the Corporate Unit holder's obligation under the related purchase contract. On the purchase contract settlement date, for each Corporate Unit, \$50 of the proceeds from the Treasury portfolio will automatically be applied to satisfy the Corporate Unit holder's obligation to purchase common stock under the purchase contract and the proceeds from the portion of the Treasury portfolio described in the second bullet under **What is the Treasury portfolio?** which will equal the interest payment (assuming no reset of the interest rate) that would have been paid on the RSNs that were components of the Corporate Units at the time of the remarketing, will be paid on the purchase contract settlement date to the Corporate Unit holders.

If we elect to conduct an optional remarketing and that remarketing is successful:

- settlement with respect to the remarketed RSNs will occur on the third business day following the optional remarketing date, unless the remarketed RSNs are priced after 4:30 p.m. New York City time on the optional remarketing date, in which case settlement will occur on the fourth business day following the optional remarketing date (we refer to such settlement date as the **optional remarketing settlement date**);
- the interest rate on the RSNs will be reset by the remarketing agent in consultation with us on the optional remarketing date and will become effective on the optional remarketing settlement date;
- the other modifications to the terms of the RSNs, as described under **What is a remarketing?** above will become effective;
- after the optional remarketing settlement date, your Corporate Units will consist of a purchase contract and the applicable ownership interest in the Treasury portfolio or cash, as described above; and
- you may no longer create Treasury Units or recreate Corporate Units from Treasury Units.

If we do not elect to conduct an optional remarketing, or no optional remarketing succeeds for any reason, the RSNs will continue to be a component of the Corporate Units or will continue to be held separately and the remarketing agent will use its commercially reasonable efforts to remarket the RSNs during the final remarketing period, as described under **What is a final remarketing?** below.

At any time and from time to time during the optional remarketing period prior to the announcement of a successful optional remarketing, we have the right to postpone any remarketing in our sole and absolute discretion.

What is a final remarketing?

Unless a termination event or a successful optional remarketing has previously occurred, we will remarket the RSNs during the five business day period ending on, and including, April 12, 2021 (the third business day immediately preceding the purchase contract settlement date). We refer to such period as the **final remarketing period**, the remarketing during this period as the **final remarketing** and the date the RSNs are priced in the final remarketing as the **final remarketing date**. In the final remarketing, the aggregate principal amount of the RSNs that are a part of Corporate Units (except where the holder thereof has elected to settle the purchase contract through payment of separate cash) and any separate RSNs whose holders have elected to participate in the final remarketing will be remarketed. The remarketing agent will use its commercially reasonable efforts to obtain a price for the RSNs that results in proceeds of at least 100% of the aggregate principal amount of all the RSNs offered in the remarketing. We will request that the depository notify its participants holding Corporate Units, Treasury Units and separate RSNs of the final remarketing no later than seven days prior to the first day of the final remarketing period. We have the right to postpone the final remarketing in our sole and absolute discretion on any day prior to the last three business days of the final remarketing period.

A remarketing during the final remarketing period will be considered successful if the remarketing agent is able to remarket the RSNs for at least 100% of the aggregate principal amount of all the RSNs offered in the remarketing.

Upon a successful final remarketing, settlement with respect to the remarketed RSNs will occur on the purchase contract settlement date. On the final remarketing date, if applicable, the interest rate on the RSNs will be reset by the remarketing agent in consultation with us, and will become effective on the purchase contract settlement date.

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Following a successful final remarketing, the collateral agent will remit the portion of the proceeds equal to the total principal amount of the RSNs underlying the Corporate Units to us to satisfy in full the Corporate Unit holders obligations to purchase common stock under the related purchase contracts. Any excess proceeds attributable to RSNs underlying Corporate Units that were remarketed will be remitted to the purchase contract agent for distribution pro rata to the holders of such RSNs. Proceeds from the final remarketing attributable to the separate RSNs remarketed will be remitted to the custodial agent for distribution pro rata to the holders of the separate RSNs that were remarketed.

What happens if the RSNs are not successfully remarketed?

If, in spite of using its commercially reasonable efforts, the remarketing agent cannot remarket the RSNs during the final remarketing period at a price at least equal to 100% of the aggregate principal amount of RSNs offered in the remarketing, a condition precedent set forth in the remarketing agreement has not been fulfilled or a successful remarketing has not occurred for any other reason, in each case resulting in a failed remarketing, holders of all RSNs will have the right to put their RSNs to us for an amount equal to the principal amount of their RSNs. A holder of Corporate Units will be deemed to have automatically exercised this put right with respect to the RSNs underlying the Corporate Units unless, prior to 4:00 p.m., New York City time, on the second business day immediately prior to the purchase contract settlement date, the holder provides written notice of an intention to settle the related purchase contracts with separate cash and on or prior to the business day immediately preceding the purchase contract settlement date delivers to the securities intermediary \$50 in cash per purchase contract. This settlement with separate cash may only be effected in integral multiples of 20 Corporate Units. Unless a holder of Corporate Units has elected to settle the related purchase contracts with separate cash, and delivered the separate cash on or prior to the business day immediately preceding the purchase contract settlement date, the holder will be deemed to have elected to apply the proceeds of the put price against the holder's obligations to us under the related purchase contracts, thereby satisfying the holder's obligations in full, and the RSNs underlying such Corporate Units will be delivered to us and cancelled.

Do I have to participate in the remarketing?

No. You may elect not to participate in any remarketing and to retain the RSNs underlying the undivided beneficial ownership interests in RSNs comprising part of your Corporate Units by (1) creating Treasury Units at any time other than during a blackout period, (2) settling the related purchase contracts early at any time other than during a blackout period or (3) in the case of a final remarketing, notifying the purchase contract agent prior to 4:00 p.m., New York City time, on the second business day immediately prior to the first day of the final remarketing period of your intention to settle your obligation under the related purchase contracts on the purchase contract settlement date in cash, and delivering such cash payment required under the purchase contracts to the securities intermediary on or prior to 4:00 p.m., New York City time, on the business day immediately prior to the first day of the final remarketing period. You can only elect to satisfy your obligation in cash in increments of 20 Corporate Units. See Description of the Purchase Contracts—Notice to Settle with Cash.

Which provisions will govern the RSNs following the remarketing?

The remarketed RSNs will be governed by the indenture under which they were issued as part of the Corporate Units. However, following any successful remarketing of the RSNs, the interest rate on the RSNs will be reset, interest will be payable semi-annually and we will cease to have the ability to redeem the RSNs at our option or defer interest payments on the RSNs, all as described under What is a remarketing? above.

If I am holding separate RSNs, can I still participate in a remarketing of the RSNs?

Yes. If you hold separate RSNs, you may elect to have your RSNs remarketed by the remarketing agent along with the RSNs underlying the Corporate Units as described under Description of the Remarketable Junior Subordinated Notes—Remarketing of RSNs That Are Not Included in Corporate Units. You may also participate in any remarketing by recreating Corporate Units at any time prior to the remarketing, other than during a blackout period.

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How can I satisfy my obligation under the purchase contracts?

You may satisfy your obligation under the purchase contracts as follows:

on an early settlement date as described under [Can I settle the purchase contract early?](#) [above](#) and under [What happens if there is early settlement upon a fundamental change?](#) [below](#);

on the purchase contract settlement date if you own Corporate Units:

- through the automatic application of the portion of the proceeds of a successful remarketing during the final remarketing period equal to the principal amount of the RSNs underlying the Corporate Units, as described under [What is a final remarketing?](#) [above](#); or
- in the case of a successful optional remarketing, through the automatic application of the portion of the proceeds from the Treasury portfolio or cash equal to the principal amount of the RSNs if the Treasury portfolio or cash has replaced the RSNs as a component of the Corporate Units as a result of a successful optional remarketing, as described under [What is an optional remarketing?](#) [above](#); or
- through cash settlement as described under [Do I have to participate in the remarketing?](#) [above](#) or through exercise of the put right or cash settlement as described under [What happens if the RSNs are not successfully remarketed?](#) [above](#);
- or
- on the purchase contract settlement date if you own Treasury Units through the automatic application of the proceeds of the interest in Treasury securities.

In addition, the purchase contract and pledge agreement that governs the Equity Units provides that your obligation under the purchase contract will be terminated without any further action or notice upon the occurrence of a termination event, as defined under [Description of the Purchase Contracts—Termination](#).

If you settle a purchase contract early (other than pursuant to your fundamental change early settlement right), you will be entitled to receive any accrued and unpaid contract adjustment payments (including any accrued and unpaid deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the contract adjustment payment date immediately preceding the early settlement date; *provided* that, under certain circumstances, you will be required to pay all contract adjustment payments payable on the contract adjustment payment date next succeeding the early settlement date to us in order to exercise the early settlement right. If you settle a purchase contract early pursuant to your fundamental change early settlement right, you will be entitled to receive any accrued and unpaid contract adjustment payments (including any accrued and unpaid deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the fundamental change early settlement date, unless the date on which the fundamental change early settlement right is exercised occurs following any record date and prior to the related scheduled contract adjustment payment date, and we are not deferring the related contract adjustment payment, in which case we will instead pay accrued and unpaid contract adjustment payments to the holder of the purchase contract as of such record date.

If the purchase contracts are terminated as a result of a termination event, you will not have any right to receive accrued and unpaid contract adjustment payments (including any deferred contract adjustment payments and compounded contract adjustment payments thereon). See [Description of the Purchase Contracts—Early Settlement](#) and [Description of the Purchase Contracts—Termination](#).

What interest payments will I receive on the RSNs or on the undivided beneficial ownership interests in the RSNs?

Subject to any deferral as described in [Are payments subject to deferral?](#) [above](#), the RSNs will bear interest at the rate of 3.70% per year from the original issuance date to the purchase contract settlement date or, if earlier, the optional remarketing settlement date, payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, commencing July 15, 2018 (except that if any such date is not a business day, interest will be payable on the following

business day, without adjustment for such delay). On and after the purchase contract settlement date or, if earlier, the optional remarketing settlement date, interest on each RSN will be payable at the relevant reset rate (as defined under "When will the interest rate on the RSNs be reset and what is the reset rate?"), or if the interest rate has not been reset, at the initial interest rate of 3.70% per year. If a remarketing is successful, interest on the RSNs thereafter will be payable semi-annually. See "What is a remarketing?" above.

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When will the interest rate on the RSNs be reset and what is the reset rate?

The interest rate on the RSNs may be reset in connection with a successful remarketing as described above under

What is an optional remarketing? and What is a final remarketing? The reset rate will be the interest rate determined by the remarketing agent, in consultation with us, as the rate the RSNs should bear in order for the remarketing agent to remarket the RSNs on the remarketing date for a price of at least 100% of the Treasury portfolio purchase price *plus* the separate RSNs purchase price, if any, in the case of an optional remarketing, or at least 100% of the aggregate principal amount of the RSNs being offered in the remarketing, in the case of a final remarketing. In any case, the reset rate may be higher or lower than the initial interest rate on the RSNs depending on the results of the remarketing and market conditions at that time. The interest rate on the RSNs will not be reset if there is not a successful remarketing and the RSNs will continue to bear interest at the initial interest rate. The reset rate will not exceed the maximum rate permitted by applicable law.

When may the RSNs be redeemed?

We may redeem the RSNs at our option only if there has been a failed final remarketing. In that event, any RSNs that remain outstanding after the purchase contract settlement date will be redeemable on or after April 15, 2023 at our option, in whole or in part, at any time and from time to time, at a redemption price equal to the principal amount thereof *plus* accrued and unpaid interest, if any, to but excluding the redemption date.

What happens if there is early settlement upon a fundamental change?

If we are involved in a transaction that constitutes a fundamental change (as defined below) prior to the 20th business day preceding the purchase contract settlement date, you will have the right, subject to certain conditions, to accelerate and settle a purchase contract early at the settlement rate determined as described under Description of the Purchase Contracts—Early Settlement Upon a Fundamental Change, *plus* an additional make-whole amount of shares, or the make-whole shares, so long as at such time, if required under the U.S. federal securities laws, there is in effect a registration statement covering any securities to be issued and delivered in connection with such fundamental change early settlement. We refer to this right as the fundamental change early settlement right.

A fundamental change means (1) a person or group within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) has become the direct or indirect beneficial owner, as defined in Rule 13d-3 under the Exchange Act, of shares of our common stock representing more than 50% of the voting power of our common stock; (2) (A) we are involved in a consolidation with or merger into any other person, or any merger of another person into us, or any other similar transaction or series of related transactions (other than a merger, consolidation or similar transaction that does not result in the conversion or exchange of outstanding shares of our common stock), in each case, in which 90% or more of the outstanding shares of our common stock are exchanged for or converted into cash, securities or other property, greater than 10% of the value of which consists of cash, securities or other property that is not (or will not be upon or immediately following the effectiveness of such consolidation, merger or other transaction) common stock listed on the NYSE, the NASDAQ Global Select Market or the NASDAQ Global Market (or any of their respective successors); or (B) the consummation of any sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of our consolidated assets to any person other than one of our subsidiaries; (3) our common stock ceases to be listed on at least one of the NYSE, the NASDAQ Global Select Market or the NASDAQ Global Market (or any of their respective successors); or (4) our shareholders approve our liquidation, dissolution or termination. For the avoidance of doubt, if we are involved in a consolidation with or merger into any other person, or any merger of another person into us, or any other similar transaction or series of related transactions (other than a merger, consolidation or similar transaction that does not result in the conversion or exchange of outstanding shares of our common stock) that also constitutes a transaction described in clause (1) of the fundamental change definition, the determination of whether such consolidation, merger

or other similar transaction or series of related transactions constitutes a fundamental change shall be governed solely by clause (2)(A) of the fundamental change definition.

We will provide each of the holders of Equity Units with a notice of the completion of a fundamental change within 10 business days after the effective date of such fundamental change. The notice will specify (1) a date (subject to postponement, as described below, the fundamental change early settlement date), which will be at least 10 days after the date of the notice but no later than the earlier of 20 days after the date of the notice

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and one business day prior to the purchase contract settlement date, on which date we will deliver shares of our common stock to holders who exercise the fundamental change early settlement right, (2) the date by which holders must exercise the fundamental change early settlement right, (3) the applicable settlement rate and number of make-whole shares, (4) the amount and kind (per share of common stock) of the cash, securities and other consideration receivable upon settlement and (5) the amount of accrued and unpaid contract adjustment payments (including any deferred contract adjustment payments and compounded contract adjustment payments thereon), if any, that will be paid upon settlement to holders exercising the fundamental change early settlement right. To exercise the fundamental change early settlement right with respect to any purchase contracts, you must deliver to the purchase contract agent at the corporate trust office of the purchase contract agent or its agent, in each case, in the continental United States of America, during the period beginning on the date we deliver notice to holders that a fundamental change has occurred and ending at 4:00 p.m., New York City time, on the third business day before the fundamental change early settlement date (such period, subject to extension as described below, the fundamental change exercise period), payment of \$50 for each purchase contract being settled in immediately available funds.

If you exercise the fundamental change early settlement right, we will deliver to you on the fundamental change early settlement date for each purchase contract with respect to which you have elected fundamental change early settlement, a number of shares (or exchange property units, if applicable) equal to the settlement rate described above, plus the number of make-whole shares determined by reference to the table set forth under Description of the Purchase Contracts—Early Settlement Upon a Fundamental Change. In addition, on the fundamental change early settlement date, we will pay you the amount of any accrued and unpaid contract adjustment payments (including any deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the fundamental change early settlement date, unless the date on which the fundamental change early settlement right is exercised occurs following any record date and prior to the related scheduled contract adjustment payment date, and we are not deferring the related contract adjustment payment, in which case we will instead pay all accrued and unpaid contract adjustment payments to the holder as of such record date. The RSNs or applicable ownership interests in the Treasury portfolio or Treasury securities underlying the Corporate Units or Treasury Units, as the case may be, with respect to which you are effecting a fundamental change early settlement, will be released from the pledge under the purchase contract and pledge agreement and delivered to you on the fundamental change early settlement date. If you do not elect to exercise your fundamental change early settlement right, your Corporate Units or Treasury Units will remain outstanding and be subject to normal settlement on the purchase contract settlement date.

We have agreed that, if required under the U.S. federal securities laws, we will use our commercially reasonable efforts to (1) have in effect throughout the fundamental change exercise period a registration statement covering the common stock and other securities, if any, to be delivered in respect of the purchase contracts being settled and (2) provide a prospectus in connection therewith, in each case in a form that may be used in connection with the fundamental change early settlement, subject to certain exceptions. In the event that a holder seeks to exercise its fundamental change early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective or a blackout period is continuing, the holder's exercise of such right will be void unless and until the registration statement is effective and no blackout period is continuing. The fundamental change exercise period will be extended by the number of days during such period on which no such registration statement is effective or a blackout period is continuing (*provided* that the fundamental change exercise period will not be extended beyond the fourth business day preceding the purchase contract settlement date) and the fundamental change early settlement date will be postponed to the third business day following the end of the fundamental change exercise period. If, but for the proviso contained in the immediately preceding sentence, the fundamental change early settlement date would occur on or after the purchase contract settlement date, we will deliver to any holder of purchase contracts on the purchase contract settlement date the applicable number of make-whole shares in addition to a number of shares equal to the settlement rate, determined as if the applicable market value were equal to the relevant stock price.

Unless the Treasury portfolio has replaced the RSNs as a component of the Corporate Units as a result of a successful optional remarketing, holders of Corporate Units may exercise the fundamental change early settlement right only in integral multiples of 20 Corporate Units. If the Treasury portfolio has replaced the RSNs as a component of Corporate Units, holders of the Corporate Units may exercise the fundamental change early settlement right only in integral multiples of 80,000 Corporate Units.

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A holder of Treasury Units may exercise the fundamental change early settlement right only in integral multiples of 20 Treasury Units.

What is the ranking of the RSNs?

The RSNs will be subordinated to all our existing and future Priority Indebtedness. The RSNs will be structurally subordinated to existing or future preferred stock and indebtedness, guarantees and other liabilities, including trade payables, of our subsidiaries. See Description of the Remarketable Junior Subordinated Notes— Subordination.

How will the RSNs be evidenced?

The RSNs that form a part of the Corporate Units will be issued in fully registered form and will be registered in the name of the purchase contract agent. The RSNs that do not form a part of the Corporate Units will be evidenced by one or more global notes registered in the name of DTC's nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC.

In a few special situations described in Description of the Remarketable Junior Subordinated Notes—Book Entry Issuance—The Depository Trust Company, a book-entry security representing the RSNs will terminate and interests in it will be exchanged for physical certificates representing the RSNs.

What are the U.S. federal income tax consequences related to the Equity Units and RSNs?

The Internal Revenue Service (the IRS) has issued a ruling addressing the treatment of units similar to the Equity Units. In that ruling, the IRS concluded that, for U.S. federal income tax purposes, an interest in a unit comprising a note and a purchase contract would be treated as a separate interest in such note and a separate interest in such purchase contract. The IRS concluded that the notes issued as part of such unit were treated as debt for U.S. federal income tax purposes. However, the terms of the Equity Units differ in some respects from the terms of the units addressed by the IRS in the ruling, and there is no statutory, judicial or administrative authority directly addressing the treatment of instruments with substantially identical terms as the Equity Units. Accordingly, no assurance can be given that the conclusions in the ruling apply to the Equity Units. As a result, the U.S. federal income tax consequences of the purchase, ownership and disposition of the Equity Units are not entirely clear. In addition, we cannot assure you that the IRS or a court will agree with the characterization of the RSNs as indebtedness for U.S. federal income tax purposes.

Although the matter is not free from doubt, based on the IRS ruling noted above, the facts contained in this prospectus supplement and other relevant documents, the terms of the relevant documents and certain assumptions and representations, a beneficial owner of Equity Units will be treated for U.S. federal income tax purposes as separately owning the purchase contract and the undivided beneficial ownership interests in the RSNs, the Treasury portfolio or the Treasury securities constituting the Equity Unit, as applicable. By purchasing the Corporate Units, you will be deemed to have agreed to treat the Equity Units in that manner for all U.S. federal income tax purposes. In addition, you must allocate the purchase price of the Corporate Units between the RSNs and the purchase contract in proportion to their respective fair market values, which will establish your initial tax basis in the RSNs and the purchase contract. With respect to each Corporate Unit purchased in the offering, you will be deemed to have agreed to allocate \$50 to the undivided beneficial ownership interest in the RSNs and \$0 to the purchase contract.

We intend to treat the RSNs as variable rate debt instruments that are subject to applicable U.S. Treasury regulations that apply to reset bonds. Under this treatment, you will be required to take into account interest payments on the RSNs at the time they are paid or accrued in accordance with your regular method of accounting for tax purposes. However, there are no U.S. Treasury regulations, rulings or other authorities that address the U.S. federal income tax

treatment of debt instruments that are substantially similar to the RSNs, and therefore the U.S. federal income tax treatment of the RSNs is unclear. Under possible alternative characterizations of the RSNs, you may be required to accrue interest income in amounts that exceed the stated interest on the RSNs and/or treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, redemption or other taxable disposition of an RSN. See Material United States Federal Income Tax Considerations—U.S. Holders—The RSNs—Possible Alternative Characterizations.

If the Treasury portfolio has replaced the RSNs as a component of the Corporate Units as a result of a successful optional remarketing, a beneficial owner of Corporate Units generally will be required to include in

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gross income its allocable share of any interest payments made with respect to such owner's applicable ownership interest in the Treasury portfolio, and, if appropriate, original issue discount or acquisition discount (as described under Material United States Federal Income Tax Considerations) on the applicable ownership interest in the Treasury portfolio.

We intend to treat contract adjustment payments as taxable ordinary income to a U.S. holder (as defined under Material United States Federal Income Tax Considerations) when received or accrued, in accordance with the U.S. holder's regular method of tax accounting. We intend to treat any contract adjustment payments paid to a non-U.S. holder (as defined under Material United States Federal Income Tax Considerations) as payments generally subject to U.S. federal withholding tax at a 30% rate, unless an income tax treaty reduces or eliminates such tax.

For a more comprehensive discussion of the U.S. federal income tax consequences of an investment in the Equity Units, please see Material United States Federal Income Tax Considerations. Prospective investors in Equity Units should consult their tax advisors regarding the particular tax consequences to them of the purchase, ownership and disposition of Equity Units (including the application and effects of any state, local, or foreign and other tax laws).

Are there limitations on the purchase, holding or disposition of the Corporate Units with assets of, or on behalf of, an employee benefit plan?

Yes. The Employee Retirement Income Security Act of 1974, as amended (ERISA), Section 4975 of the Internal Revenue Code of 1986, as amended (the Code), and similar federal, state, local and foreign laws that are substantively similar or are of similar effect (Similar Law) may impose restrictions on the purchase, holding and disposition of Corporate Units (and the securities underlying the Corporate Units) by employee benefit plans that are subject to those laws. Corporate Units (and the securities underlying the Corporate Units) may be purchased with assets of, or on behalf of, an employee benefit plan subject to the investing fiduciary's determination that the investment satisfies ERISA's fiduciary standards and other requirements under ERISA, the Code and/or Similar Law. An investing fiduciary that proposes to cause an employee benefit plan, or to act on behalf of an employee benefit plan, to purchase Corporate Units (and the securities underlying the Corporate Units) should consult its own counsel regarding the potential applicability of ERISA, the Code and/or Similar Law to such investment, the potential consequences in its specific circumstances, and whether any prohibited transaction exemption or exemptions would be applicable and should determine on its own whether all conditions of such exemption or exemptions have been satisfied. See ERISA Considerations.

What are the uses of proceeds from the offering?

We estimate that the net proceeds from the sale of the Equity Units in this offering will be approximately \$241.8 million (approximately \$278.2 million if the underwriters exercise their over-allotment option in full), after deducting the underwriting discounts and commissions and estimated offering expenses.

In addition, we estimate that we will receive net proceeds, after deducting underwriting discounts and commissions and estimated offering expenses, of approximately \$119.9 million from our sale of common stock in the concurrent common stock offering (approximately \$167.0 million if the underwriters of such offering exercise in full their option to purchase additional shares of common stock). We will not initially receive any proceeds from the sale of the shares of our common stock offered by the forward seller (which shares relate to the forward sale agreement between SJI and Bank of America, N.A.) in the concurrent common stock offering, unless an event occurs that requires us to sell our common stock to the underwriters in the concurrent common stock offering in lieu of the forward seller selling our common stock to such underwriters or such underwriters' option to purchase additional shares of our common stock is exercised and we elect to sell the additional shares of our common stock covered by such option to such underwriters rather than requiring the forward seller in the concurrent common stock offering to borrow and sell such additional

shares of our common stock to such underwriters. The concurrent common stock offering is not contingent on the completion of this offering and this offering is not contingent on the completion of the concurrent common stock offering.

We intend to use the net proceeds from this offering, together with cash on hand and proceeds from the concurrent offering of common stock (including in connection with settlement of any related forward sale agreement), to fund a portion of the cash consideration payable in connection with the Acquisition and for capital expenditures primarily for regulated businesses, including infrastructure investments at our utility business.

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However, the consummation of this offering is not conditioned on the closing of the Acquisition or the concurrent common stock offering. If we do not consummate the Acquisition, we will retain broad discretion to use all of the net proceeds from this offering for general corporate purposes. See **Use of Proceeds** in this prospectus supplement.

What are the risks relating to the Equity Units?

See **Risk Factors** on page S-32 of this prospectus supplement and on page 5 of the accompanying prospectus and the risk factors set forth in the documents and reports filed with the SEC that are incorporated by reference in this prospectus supplement and in the accompanying base prospectus, including the risk factors set forth under **Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2017, before you make an investment decision pursuant to this prospectus supplement and the accompanying base prospectus.

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The Offering—Explanatory Diagrams

The following diagrams illustrate some of the key features of the purchase contracts and the undivided beneficial ownership interests in RSNs, Corporate Units and Treasury Units.

Corporate Units

A Corporate Unit consists of two components as described below:

- (1) Contract adjustment payments may be deferred as described under Description of the Purchase Contracts—Contract Adjustment Payments below.
- (2) Each owner of an undivided beneficial ownership interest in RSNs will be entitled to 1/20, or 5%, of each interest payment paid in respect of a \$1,000 principal amount RSN.
Interest payments may be deferred as described under Description of the Remarketable Junior Subordinated
- (3) Notes—Option to Defer Interest Payments below. In connection with any successful remarketing of the RSNs, the interest deferral provisions will cease to apply to the RSNs.
RSNs will be issued in minimum denominations of \$1,000, except in limited circumstances following a
- (4) termination event. Each undivided beneficial ownership interest in RSNs represents a 1/20, or 5%, undivided beneficial ownership interest in an RSN having a principal amount of \$1,000.

The holder of a Corporate Unit owns the 1/20, or 5%, undivided beneficial ownership interest in an RSN having a principal amount of \$1,000 that forms a part of the Corporate Unit, but will pledge it to us through the collateral agent to secure its obligations under the related purchase contract.

If the Treasury portfolio has replaced the RSNs as a result of a successful optional remarketing, the applicable ownership interests in the Treasury portfolio or cash, as applicable, will replace the RSNs as a component of the Corporate Unit.

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Treasury Units

A Treasury Unit consists of two components as described below:⁽¹⁾

Treasury Units may only be created in integral multiples of 20 Corporate Units. As a result, the creation of 20

(1) Treasury Units will release \$1,000 principal amount of the RSNs held by the collateral agent. During a blackout period or following a successful remarketing, you may not create Treasury Units or recreate Corporate Units.

(2) Contract adjustment payments may be deferred as described under Description of the Purchase Contracts—Contract Adjustment Payments below.

The holder of a Treasury Unit owns the 1/20, or 5%, undivided beneficial ownership interest in the Treasury security that forms a part of the Treasury Unit, but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract.

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Purchase Contract

Corporate Units and Treasury Units both include a purchase contract under which the holder agrees to purchase shares of our common stock on the purchase contract settlement date. In addition, the purchase contracts require us to make contract adjustment payments as shown in the diagrams on the preceding pages.

- (1) The reference price is \$29.50, which will be the public offering price of our common stock in the concurrent common stock offering.
- (2) The threshold appreciation price is equal to \$50 *divided by* the minimum settlement rate (such quotient rounded to the nearest \$0.01), which is \$35.40 and represents appreciation of 20% over the reference price.
- (3) If the applicable market value of our common stock is less than or equal to the reference price of \$29.50, 1.6949 shares of our common stock (subject to adjustment).
If the applicable market value of our common stock is greater than the reference price and less than the threshold appreciation price of \$35.40, the number of shares of our common stock to be delivered to a holder of an Equity Unit will be calculated by dividing the stated amount of \$50 by the applicable market value, rounded to the nearest ten thousandth of a share (subject to adjustment).
- (4) If the applicable market value of our common stock is greater than or equal to the threshold appreciation price, the number of shares of our common stock to be delivered to a holder of an Equity Unit will be 1.4124 shares (subject to adjustment).
- (5) The applicable market value means the average VWAP of our common stock for the trading days during the 20 consecutive scheduled trading-day period ending on the second scheduled trading day immediately preceding the purchase contract settlement date (subject to adjustment as described herein if a market disruption event occurs).
- (6)

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The RSNs

The RSNs have the terms described below:

(1) Interest payments may be deferred as described under Description of the Remarketable Junior Subordinated Notes—Option to Defer Interest Payments and interest payment dates will be adjusted in a successful remarketing as described under Description of the Remarketable Junior Subordinated Notes—Remarketing. In connection with any successful remarketing of the RSNs, the interest deferral provisions will cease to apply to the RSNs.

(2) Following any successful remarketing of the RSNs, the interest rate on the RSNs will be reset, interest will be payable on a semi-annual basis, and we will cease to have the ability to redeem the RSNs at our option or defer interest payments on the RSNs, all as described under Description of the Purchase Contracts—Remarketing.

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- (1) Each holder will own a 1/20, or 5%, undivided beneficial ownership interest in, and will be entitled to a corresponding portion of each interest payment payable in respect of, an RSN having a principal amount of \$1,000. RSNs will be issued in minimum denominations of \$1,000 and integral multiples thereof, except in limited circumstances following a termination event. Following any successful remarketing of the RSNs, the interest rate
- (2) on the RSNs will be reset, interest will be payable on a semi-annual basis, and we will cease to have the ability to redeem the RSNs at our option or defer interest payments on the RSNs, all as described under Description of the Purchase Contracts—Remarketing. Interest payments may be deferred as described in this prospectus supplement and interest payment dates will be adjusted in a successful remarketing as described under Description of the Remarketable Junior Subordinated
- (3) Notes—Option to Defer Interest Payments. In connection with any successful remarketing of the RSNs, the interest deferral provisions will cease to apply to the RSNs.
- (4) Contract adjustment payments may be deferred as described under Description of the Purchase Contracts—Remarketing.

The diagram above describes each of a Corporate Unit, a Treasury Unit and a separate RSN.

Because the RSNs and the Treasury securities are issued in minimum denominations of \$1,000, holders of Corporate Units may only create Treasury Units in integral multiples of 20 Corporate Units.

To create 20 Treasury Units, a holder separates 20 Corporate Units into their two components—20 purchase contracts and an RSN having a principal amount of \$1,000—and then combines the purchase contracts with a Treasury security having a principal amount at maturity of \$1,000 that matures on or prior to April 15, 2021.

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• The RSN, which is no longer a component of Corporate Units, is released from the pledge under the purchase contract and pledge agreement and delivered to the holder and is tradable as a separate security.

- A holder owns the Treasury security that forms a part of the 20 Treasury Units but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract.

¶ The Treasury security together with the 20 purchase contracts constitute 20 Treasury Units.

• During a blackout period or following a successful remarketing, you may not create Treasury Units or recreate Corporate Units.

Unless a blackout period is occurring or there has been a successful remarketing, the holder can also transform 20 Treasury Units and an RSN having a principal amount of \$1,000 into 20 Corporate Units. Following that

• transformation, the Treasury security, which will no longer be a component of the Treasury Unit, will be released from the pledge under the purchase contract and pledge agreement and delivered to the holder and will be tradable as a separate security.

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The following timeline is for illustrative purposes only. The dates in this timeline are based on the time periods set forth in the purchase contract and pledge agreement and the form of remarketing agreement that will be an exhibit to the purchase contract and pledge agreement. This timeline assumes that we will elect to conduct an optional remarketing during the maximum permissible optional remarketing period.

Date	Event
January 6, 2021 (five business days prior to the first day of the optional remarketing period)	We will, or we will request that the depository, notify holders of Corporate Units, Treasury Units and separate RSNs of our election to conduct an optional remarketing. Such notice will specify the first day of the optional remarketing period and the procedures to be followed in the optional remarketing.
January 11, 2021 (two business days prior to the beginning of the optional remarketing period)	<p>Last day prior to the optional remarketing to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units (holders may once again be able to create and recreate units if the optional remarketing is not successful);</p> <p>Last day prior to the optional remarketing for holders of Corporate Units to settle the related purchase contracts early (holders may once again be able to settle early if the optional remarketing is not successful or after the blackout period has concluded for such optional remarketing); and</p> <p>Last day for holders of separate RSNs to give notice of their election or to revoke their election to participate in the optional remarketing.</p>
January 13, 2021 to March 29, 2021	<p>Optional remarketing period:</p> <p>if the optional remarketing is successful, we will issue a press release on the business day after the optional remarketing date, the remarketing agent will purchase the Treasury portfolio and the settlement date for the optional remarketing will occur on the third business day following the optional remarketing date (unless the remarketed RSNs are priced after 4:30 p.m. New York City time on the optional remarketing date, in which case settlement will occur on the fourth business day following the optional remarketing date); and</p> <p>if the optional remarketing is not successful, we will issue a press release at the end of the optional remarketing period.</p>
No later than March 30, 2021 (seven calendar days prior to the first day of the final remarketing period)	If there has not been a successful optional remarketing, we will request that the depository notify its participants holding Corporate Units, Treasury Units and separate RSNs of the final remarketing. Such notice will specify the final remarketing period and the procedures to be followed in the final remarketing.
March 30, 2021 (seven calendar days prior to the first day of the final	First day for holders of Corporate Units to give notice of election to settle purchase contracts with separate cash.

remarketing period)

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Date	Event
April 2, 2021 (two business days prior to the first day of the final remarketing period)	<p>Last day to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units if no successful optional remarketing has occurred;</p> <p>Last day for holders of Corporate Units to give notice of election to settle the related purchase contracts with separate cash on the purchase contract settlement date (holders may once again be able to settle the related purchase contracts with separate cash on the purchase contract settlement date if the final remarketing is not successful);</p> <p>Last day for holders of separate RSNs to give notice of their election or to revoke their election to participate in the final remarketing; and</p> <p>Last day for holders of Corporate Units or Treasury Units to settle the related purchase contracts early.</p>
April 5, 2021 (one business day prior to the first day of the final remarketing period)	<p>Last day for holders of Corporate Units who have elected to settle the related purchase contracts with separate cash on the purchase contract date to pay the purchase price (holders may once again be able to settle the related purchase contracts with separate cash on the purchase contract settlement date if the final remarketing is not successful).</p>
April 6, 2021 to April 12, 2021 (final remarketing period)	<p>If there has not been a successful optional remarketing, we will attempt a remarketing during the final remarketing period. We may elect to postpone the final remarketing on any day other than one of the last three business days of the final remarketing period.</p>
April 13, 2021 (two business days prior to the purchase contract settlement date)	<p>If the final remarketing has not been successful, last day for holders of Corporate Units to elect to settle the related purchase contracts with separate cash on the purchase contract settlement date.</p>
April 14, 2021 (one business day prior to the purchase contract settlement date)	<p>If the final remarketing has not been successful, last day for holders of Corporate Units who have elected to settle the related purchase contracts with separate cash on the purchase contract settlement date to pay the purchase price.</p>
April 15, 2021 (or if such day is not a business day, the following business day)	<p>Purchase contract settlement date and settlement date for any successful final remarketing of the RSNs.</p>

TABLE OF CONTENTS**Summary Consolidated Financial Information**

The following table sets forth selected consolidated financial information for us and unaudited pro forma condensed combined financial statements for us and the Elizabethtown Business. The summary consolidated financial data has been derived from our audited consolidated financial statements and related notes for the three years ended December 31, 2017, 2016 and 2015 contained in our Annual Report on Form 10-K for the year ended December 31, 2017, which is incorporated in this prospectus supplement by reference. The summary financial information should be read in conjunction with the consolidated financial statements described above and the related notes. The unaudited pro forma condensed combined financial statements are based upon the historical consolidated financial data of the Company and the Elizabethtown Business, after giving effect to the acquisition of the Elizabethtown Business by the Company as of December 31, 2017. The unaudited pro forma condensed combined financial statements should be read in conjunction with the financial statements presented in Unaudited Pro Forma Condensed Combined Financial Data of the Company and the Elizabethtown Business in this prospectus supplement and the related notes thereto.

Our historical and pro forma financial data may not be indicative of the results of operations or financial position to be expected in the future.

	Historical South Jersey Industries, Inc.			Pro Forma Combined
	Year ended December 31,			Year ended December 31,
(In thousands except for per share data)	2017	2016	2015	2017
Statements of consolidated income and statements of consolidated cash flows data:				
Total operating revenues	\$ 1,243,068	\$ 1,036,500	\$ 959,568	\$ 1,547,815
Total operating expenses	1,238,658	847,224	802,674	1,454,028
Operating income	4,410	189,276	156,894	93,787
Income from continuing operations	(3,404)	119,061	105,610	18,258
Net income	(3,490)	118,810	105,107	18,172
Basic earnings per common share	(0.04)	1.56	1.53	0.20
Diluted earnings per common share	(0.04)	1.56	1.52	