

**Multiple-Stage Dividend Discount Model
for the Comparable Water Utility Companies**

Annual Earnings Per Share Estimates

Company Name	Consensus Analysts' Discreet EPS Estimates (2023 - 2027)							Transitionay Period to Perpetual Growth (2028 - 2038)								
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
American States Water Company	\$2.93	\$2.97	\$3.21	\$3.48	\$3.72	\$3.94	\$4.17	\$4.40	\$4.63	\$4.87	\$5.12	\$5.36	\$5.61	\$5.85	\$6.10	\$6.34
American Water Works Company, Inc.	\$4.78	\$5.13	\$5.59	\$6.04	\$6.45	\$6.92	\$7.40	\$7.89	\$8.39	\$8.89	\$9.39	\$9.89	\$10.38	\$10.86	\$11.33	\$11.79
California Water Service Group	\$1.80	\$2.12	\$2.27	\$2.50	\$2.65	\$2.85	\$3.06	\$3.27	\$3.49	\$3.70	\$3.92	\$4.13	\$4.34	\$4.55	\$4.74	\$4.93
Essential Utilities, Inc.	\$1.86	\$2.03	\$2.17	\$2.38	\$2.54	\$2.68	\$2.83	\$2.98	\$3.13	\$3.29	\$3.45	\$3.61	\$3.77	\$3.93	\$4.10	\$4.26
SJW Group	\$2.47	\$2.70	\$2.90	\$3.02	\$3.20	\$3.39	\$3.58	\$3.77	\$3.97	\$4.17	\$4.38	\$4.59	\$4.79	\$5.00	\$5.21	\$5.42

Dividend Payout Ratios

Company Name	Discrete Dividend Payout Ratio (2023 - 2027)							Transitionay Payout Ratio Until Perpetual Growth (2028 - 2038)								
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
American States Water Company	56.15%	59.60%	59.15%	58.62%	58.60%	58.33%	58.05%	57.77%	57.49%	57.22%	56.94%	56.66%	56.39%	56.11%	55.83%	55.56%
American Water Works Company, Inc.	58.37%	58.62%	58.33%	58.26%	58.93%	58.62%	58.32%	58.01%	57.70%	57.40%	57.09%	56.78%	56.48%	56.17%	55.86%	55.56%
California Water Service Group	57.30%	52.16%	51.91%	52.40%	53.21%	53.42%	53.63%	53.85%	54.06%	54.27%	54.49%	54.70%	54.92%	55.13%	55.34%	55.56%
Essential Utilities, Inc.	64.15%	62.81%	63.08%	61.06%	61.12%	60.62%	60.11%	59.60%	59.10%	58.59%	58.09%	57.58%	57.07%	56.57%	56.06%	55.56%
SJW Group	61.77%	59.70%	58.83%	59.68%	59.42%	59.05%	58.67%	58.30%	57.92%	57.55%	57.17%	56.80%	56.42%	56.05%	55.67%	55.56%

Estimated Dividends

Company Name	Cost of Equity	Stock Price																
		4/28/2023	6/1/2023	8/15/2023	11/15/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028	6/30/2029	6/30/2030	6/30/2031	6/30/2032	6/30/2033	6/30/2034	6/30/2035	6/30/2036
American States Water Company	6.20%	-90.31	\$0.40	\$0.41	\$0.41	\$1.77	\$1.90	\$2.04	\$2.18	\$2.30	\$2.42	\$2.54	\$2.66	\$2.79	\$2.91	\$3.04	\$3.16	\$3.28
American Water Works Company, Inc.	6.52%	-146.37	\$0.71	\$0.71	\$0.71	\$3.01	\$3.26	\$3.52	\$3.80	\$4.05	\$4.31	\$4.58	\$4.84	\$5.10	\$5.36	\$5.61	\$5.86	\$6.10
California Water Service Group	6.58%	-58.44	\$0.26	\$0.26	\$0.26	\$1.11	\$1.18	\$1.31	\$1.41	\$1.52	\$1.64	\$1.76	\$1.88	\$2.01	\$2.13	\$2.26	\$2.38	\$2.51
Essential Utilities, Inc.	7.13%	-43.91	\$0.31	\$0.31	\$0.31	\$1.27	\$1.37	\$1.46	\$1.55	\$1.63	\$1.70	\$1.78	\$1.85	\$1.93	\$2.00	\$2.08	\$2.15	\$2.23
SJW Group	6.14%	-79.67	\$0.38	\$0.38	\$0.38	\$1.61	\$1.71	\$1.80	\$1.90	\$2.00	\$2.10	\$2.20	\$2.30	\$2.40	\$2.50	\$2.60	\$2.70	\$2.80
Average	6.52%																	

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Annual Growth Rate Estimates Until Terminal Stage

Company Name	5-YR CAGR¹	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
American States Water Company	6.13%		Discrete Estimates				5.94%	5.74%	5.55%	5.36%	5.16%	4.97%	4.78%	4.58%	4.39%	4.19%	4.00%
American Water Works Company, Inc.	7.61%		Discrete Estimates				7.28%	6.95%	6.63%	6.30%	5.97%	5.64%	5.31%	4.98%	4.66%	4.33%	4.00%
California Water Service Group	8.00%		Discrete Estimates				7.64%	7.27%	6.91%	6.55%	6.18%	5.82%	5.45%	5.09%	4.73%	4.36%	4.00%
Essential Utilities, Inc.	5.80%		Discrete Estimates				5.63%	5.47%	5.31%	5.14%	4.98%	4.82%	4.65%	4.49%	4.33%	4.16%	4.00%
SJW Group	6.00%		Discrete Estimates				5.82%	5.64%	5.45%	5.27%	5.09%	4.91%	4.73%	4.55%	4.36%	4.18%	4.00%

Source: S&P Market intelligence as of May 10, 2023.

Notes:

1. Explicit analysts' consensus long-term compound annual growth rate (CAGR) for American Water, California Water Service, Essential Utilities and SJW Group. Implied analysts' long-term CAGR based on 2022-2026 CAGR discrete annual EPS estimates for American States Water.