

**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	\$4.16	\$4.39	\$4.62	\$4.86	\$5.09	\$5.33	\$5.56	\$5.79	\$6.02	\$6.25
American Water Works Company, Inc.	\$4.78	\$5.13	\$5.59	\$6.04	\$6.45	\$6.92	\$7.39	\$7.88	\$8.37	\$8.86	\$9.35	\$9.83	\$10.30	\$10.76	\$11.20	\$11.62
California Water Service Group	\$1.80	\$2.12	\$2.27	\$2.50	\$2.65	\$2.85	\$3.06	\$3.27	\$3.48	\$3.69	\$3.90	\$4.11	\$4.31	\$4.50	\$4.69	\$4.86
Essential Utilities, Inc.	\$1.86	\$2.03	\$2.17	\$2.38	\$2.54	\$2.68	\$2.83	\$2.98	\$3.13	\$3.28	\$3.43	\$3.59	\$3.74	\$3.90	\$4.05	\$4.20
SJW Group	\$2.47	\$2.70	\$2.90	\$3.02	\$3.20	\$3.39	\$3.57	\$3.77	\$3.96	\$4.16	\$4.36	\$4.56	\$4.76	\$4.95	\$5.15	\$5.34

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%	58.58%	58.55%	58.53%	58.50%	58.48%	58.46%	58.43%	58.41%	58.38%	58.36%	58.33%
American Water Works Company, Inc.	58.37%	58.62%	58.33%	58.26%	58.93%	58.87%	58.82%	58.77%	58.71%	58.66%	58.60%	58.55%	58.50%	58.44%	58.39%	58.33%
California Water Service Group	57.30%	52.16%	51.91%	52.40%	53.21%	53.67%	54.14%	54.61%	55.07%	55.54%	56.00%	56.47%	56.94%	57.40%	57.87%	58.33%
Essential Utilities, Inc.	64.15%	62.81%	63.08%	61.06%	61.12%	60.87%	60.62%	60.36%	60.11%	59.85%	59.60%	59.35%	59.09%	58.84%	58.59%	58.33%
SJW Group	61.77%	59.70%	58.83%	59.68%	59.57%	59.46%	59.34%	59.23%	59.12%	59.01%	58.90%	58.78%	58.67%	58.56%	58.45%	58.33%

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	6.07%	-91.31	\$0.40	\$0.41	\$0.41	\$1.77	\$1.90	\$2.04	\$2.18	\$2.31	\$2.44	\$2.57	\$2.71	\$2.84	\$2.98	\$3.11	\$3.25	\$3.38
American Water Works Company, Inc.	6.38%	-148.57	\$0.71	\$0.71	\$0.71	\$3.01	\$3.26	\$3.52	\$3.80	\$4.07	\$4.35	\$4.63	\$4.91	\$5.20	\$5.48	\$5.75	\$6.02	\$6.29
California Water Service Group	6.45%	-59.22	\$0.26	\$0.26	\$0.26	\$1.11	\$1.18	\$1.31	\$1.41	\$1.53	\$1.66	\$1.78	\$1.92	\$2.05	\$2.18	\$2.32	\$2.45	\$2.58
Essential Utilities, Inc.	6.99%	-44.81	\$0.31	\$0.31	\$0.31	\$1.27	\$1.37	\$1.46	\$1.55	\$1.63	\$1.71	\$1.80	\$1.88	\$1.96	\$2.05	\$2.13	\$2.21	\$2.29
SJW Group	6.02%	-80.11	\$0.38	\$0.38	\$0.38	\$1.61	\$1.71	\$1.80	\$1.91	\$2.01	\$2.12	\$2.23	\$2.34	\$2.45	\$2.57	\$2.68	\$2.79	\$2.90
Average	6.38%																	

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Annual Growth Rate Estimates Until Terminal Stage

Company Name	5-YR CAGR	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
American States Water Company	6.13%		Discrete Estimates				5.91%	5.70%	5.48%	5.27%	5.05%	4.83%	4.62%	4.40%	4.18%	3.97%	3.75%
American Water Works Company, Inc.	7.61%		Discrete Estimates				7.26%	6.91%	6.56%	6.21%	5.86%	5.51%	5.15%	4.80%	4.45%	4.10%	3.75%
California Water Service Group	8.00%		Discrete Estimates				7.61%	7.23%	6.84%	6.45%	6.07%	5.68%	5.30%	4.91%	4.52%	4.14%	3.75%
Essential Utilities, Inc.	5.80%		Discrete Estimates				5.61%	5.42%	5.24%	5.05%	4.87%	4.68%	4.49%	4.31%	4.12%	3.94%	3.75%
SJW Group	6.00%		Discrete Estimates				5.80%	5.59%	5.39%	5.18%	4.98%	4.77%	4.57%	4.36%	4.16%	3.95%	3.75%

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.