

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

Annual Earnings Per Share Estimates

Company Name	Consensus Analysts' Discreet EPS Estimates (2022 - 2026)							Transitionary Period to Perpetual Growth (2027 - 2037)								
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
American States Water Company	\$2.49	\$2.74	\$3.00	\$3.23	\$3.47	\$3.68	\$3.90	\$4.12	\$4.35	\$4.57	\$4.80	\$5.02	\$5.24	\$5.46	\$5.68	\$5.89
American Water Works Company, Inc.	\$4.44	\$4.79	\$5.18	\$5.64	\$6.10	\$6.55	\$7.00	\$7.46	\$7.93	\$8.39	\$8.85	\$9.31	\$9.75	\$10.18	\$10.60	\$10.99
California Water Service Group	\$1.74	\$1.97	\$2.14	\$2.28	\$2.50	\$2.67	\$2.84	\$3.01	\$3.19	\$3.36	\$3.54	\$3.71	\$3.88	\$4.05	\$4.21	\$4.36
Essential Utilities, Inc.	\$1.78	\$1.90	\$2.05	\$2.22	\$2.41	\$2.55	\$2.70	\$2.86	\$3.01	\$3.17	\$3.33	\$3.48	\$3.64	\$3.79	\$3.94	\$4.09
SJW Group	\$2.38	\$2.52	\$2.74	\$2.87	\$3.05	\$3.29	\$3.53	\$3.77	\$4.02	\$4.26	\$4.50	\$4.74	\$4.98	\$5.20	\$5.41	\$5.61

Dividend Payout Ratios

Company Name	Discrete Dividend Payout Ratio (2022 - 2026)							Transitionary Payout Ratio Until Perpetual Growth (2027 - 2037)								
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
American States Water Company	61.45%	60.33%	59.00%	58.82%	58.79%	58.80%	58.81%	58.82%	58.83%	58.83%	58.84%	58.85%	58.86%	58.87%	58.88%	58.89%
American Water Works Company, Inc.	57.89%	58.50%	58.98%	58.76%	58.98%	58.98%	58.97%	58.96%	58.95%	58.94%	58.93%	58.92%	58.91%	58.91%	58.90%	58.89%
California Water Service Group	57.64%	54.75%	54.35%	54.82%	54.40%	54.81%	55.22%	55.62%	56.03%	56.44%	56.85%	57.26%	57.66%	58.07%	58.48%	58.89%
Essential Utilities, Inc.	62.90%	62.99%	62.66%	61.22%	60.08%	59.97%	59.87%	59.76%	59.65%	59.54%	59.43%	59.32%	59.21%	59.11%	59.00%	58.89%
SJW Group	60.50%	60.53%	58.66%	58.85%	58.86%	58.86%	58.86%	58.87%	58.87%	58.87%	58.87%	58.88%	58.88%	58.88%	58.89%	58.89%

Estimated Dividends

Company Name	Cost of Equity	Stock Price																
		10/31/2022	12/1/2022	6/30/2023	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	6/30/2037
American States Water Company	5.96%	-84.64	\$0.40	\$1.65	\$1.77	\$1.90	\$2.04	\$2.17	\$2.29	\$2.42	\$2.56	\$2.69	\$2.82	\$2.95	\$3.09	\$3.22	\$3.34	\$3.47
American Water Works Company, Inc.	6.11%	-146.49	\$0.66	\$2.80	\$3.06	\$3.32	\$3.60	\$3.86	\$4.13	\$4.40	\$4.67	\$4.95	\$5.22	\$5.48	\$5.74	\$6.00	\$6.24	\$6.47
California Water Service Group	6.10%	-57.86	\$0.25	\$1.08	\$1.17	\$1.25	\$1.36	\$1.46	\$1.57	\$1.67	\$1.79	\$1.90	\$2.01	\$2.12	\$2.24	\$2.35	\$2.46	\$2.57
Essential Utilities, Inc.	6.55%	-46.77	\$0.29	\$1.20	\$1.28	\$1.36	\$1.45	\$1.53	\$1.62	\$1.71	\$1.80	\$1.89	\$1.98	\$2.07	\$2.15	\$2.24	\$2.32	\$2.41
SJW Group	5.75%	-87.65	\$0.31	\$1.53	\$1.60	\$1.69	\$1.80	\$1.93	\$2.08	\$2.22	\$2.36	\$2.51	\$2.65	\$2.79	\$2.93	\$3.06	\$3.19	\$3.31
Average	6.09%																	

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Annual Growth Rate Estimates Until Terminal Stage

Company Name	5-YR CAGR	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
American States Water Company	6.40%		Discrete Estimates				6.15%	5.91%	5.66%	5.42%	5.17%	4.93%	4.68%	4.44%	4.19%	3.95%	3.70%
American Water Works Company, Inc.	7.65%		Discrete Estimates				7.29%	6.93%	6.57%	6.21%	5.86%	5.50%	5.14%	4.78%	4.42%	4.06%	3.70%
California Water Service Group	7.00%		Discrete Estimates				6.70%	6.40%	6.10%	5.80%	5.50%	5.20%	4.90%	4.60%	4.30%	4.00%	3.70%
Essential Utilities, Inc.	6.42%		Discrete Estimates				6.18%	5.93%	5.68%	5.43%	5.19%	4.94%	4.69%	4.44%	4.20%	3.95%	3.70%
SJW Group	8.13%		Discrete Estimates				7.72%	7.32%	6.92%	6.52%	6.11%	5.71%	5.31%	4.91%	4.50%	4.10%	3.70%

Source: S&P Market intelligence as of November 1, 2022.

Notes:

1. Explicit long-term compound annual growth rate (CAGR) consensus for American States, American Water, and Essential Utilities. Implied long-term CAGR based on mid-point of 2021-2026 CAGR and 2022-2026 CAGR for California Water and SJW Group.