

**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	\$3.69	\$3.91	\$4.13	\$4.37	\$4.61	\$4.85	\$5.09	\$5.34	\$5.59	\$5.84	\$6.09
American Water Works Company, Inc.	\$4.44	\$4.79	\$5.18	\$5.64	\$6.10	\$6.55	\$7.01	\$7.49	\$7.97	\$8.46	\$8.95	\$9.44	\$9.93	\$10.42	\$10.90	\$11.37
California Water Service Group	\$1.74	\$1.97	\$2.14	\$2.28	\$2.50	\$2.67	\$2.84	\$3.02	\$3.20	\$3.39	\$3.57	\$3.76	\$3.95	\$4.14	\$4.33	\$4.52
Essential Utilities, Inc.	\$1.78	\$1.90	\$2.05	\$2.22	\$2.41	\$2.55	\$2.71	\$2.87	\$3.03	\$3.19	\$3.36	\$3.53	\$3.71	\$3.88	\$4.05	\$4.23
SJW Group	\$2.38	\$2.52	\$2.74	\$2.87	\$3.05	\$3.29	\$3.53	\$3.78	\$4.04	\$4.29	\$4.55	\$4.81	\$5.07	\$5.32	\$5.57	\$5.81

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%	58.19%	57.60%	57.00%	56.40%	55.80%	55.21%	54.61%	54.01%	53.42%	52.82%	52.22%
American Water Works Company, Inc.	57.89%	58.50%	58.98%	58.76%	58.98%	58.37%	57.75%	57.14%	56.53%	55.91%	55.30%	54.68%	54.07%	53.45%	52.84%	52.22%
California Water Service Group	57.64%	54.75%	54.35%	54.82%	54.40%	54.20%	54.00%	53.81%	53.61%	53.41%	53.21%	53.01%	52.82%	52.62%	52.42%	52.22%
Essential Utilities, Inc.	62.90%	62.99%	62.66%	61.22%	60.08%	59.37%	58.65%	57.94%	57.22%	56.51%	55.80%	55.08%	54.37%	53.65%	52.94%	52.22%
SJW Group	60.50%	60.53%	58.66%	58.85%	58.30%	57.75%	57.20%	56.64%	56.09%	55.54%	54.99%	54.43%	53.88%	53.33%	52.77%	52.22%

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	6.23%	-84.64	\$0.40	\$1.65	\$1.77	\$1.90	\$2.04	\$2.14	\$2.25	\$2.36	\$2.46	\$2.57	\$2.68	\$2.78	\$2.89	\$2.99	\$3.09	\$3.18
American Water Works Company, Inc.	6.37%	-146.49	\$0.66	\$2.80	\$3.06	\$3.32	\$3.60	\$3.82	\$4.05	\$4.28	\$4.50	\$4.73	\$4.95	\$5.16	\$5.37	\$5.57	\$5.76	\$5.94
California Water Service Group	6.36%	-57.86	\$0.25	\$1.08	\$1.17	\$1.25	\$1.36	\$1.45	\$1.54	\$1.63	\$1.72	\$1.81	\$1.90	\$1.99	\$2.09	\$2.18	\$2.27	\$2.36
Essential Utilities, Inc.	6.77%	-46.77	\$0.29	\$1.20	\$1.28	\$1.36	\$1.45	\$1.52	\$1.59	\$1.66	\$1.73	\$1.81	\$1.88	\$1.95	\$2.01	\$2.08	\$2.15	\$2.21
SJW Group	6.04%	-87.65	\$0.31	\$1.53	\$1.60	\$1.69	\$1.78	\$1.90	\$2.02	\$2.14	\$2.26	\$2.38	\$2.50	\$2.62	\$2.73	\$2.84	\$2.94	\$3.03
Average	6.35%																	

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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				6.21%	6.02%	5.83%	5.64%	5.45%	5.25%	5.06%	4.87%	4.68%	4.49%	4.30%
American Water Works Company, Inc.	7.65%		Discrete Estimates				7.35%	7.04%	6.74%	6.43%	6.13%	5.82%	5.52%	5.21%	4.91%	4.60%	4.30%
California Water Service Group	7.00%		Discrete Estimates				6.75%	6.51%	6.26%	6.02%	5.77%	5.53%	5.28%	5.04%	4.79%	4.55%	4.30%
Essential Utilities, Inc.	6.42%		Discrete Estimates				6.23%	6.04%	5.84%	5.65%	5.46%	5.27%	5.07%	4.88%	4.69%	4.49%	4.30%
SJW Group	8.13%		Discrete Estimates				7.78%	7.43%	7.08%	6.73%	6.39%	6.04%	5.69%	5.34%	5.00%	4.65%	4.30%

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.