

**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	\$4.64	\$4.89	\$5.14	\$5.39	\$5.65	\$5.91	\$6.17	\$6.43
American Water Works Company, Inc.	\$4.78	\$5.13	\$5.59	\$6.04	\$6.45	\$6.92	\$7.40	\$7.90	\$8.40	\$8.91	\$9.43	\$9.95	\$10.46	\$10.97	\$11.47	\$11.95
California Water Service Group	\$1.80	\$2.12	\$2.27	\$2.50	\$2.65	\$2.85	\$3.06	\$3.28	\$3.49	\$3.71	\$3.93	\$4.15	\$4.37	\$4.59	\$4.80	\$5.00
Essential Utilities, Inc.	\$1.86	\$2.03	\$2.17	\$2.38	\$2.54	\$2.68	\$2.83	\$2.98	\$3.14	\$3.30	\$3.46	\$3.63	\$3.80	\$3.97	\$4.15	\$4.32
SJW Group	\$2.47	\$2.70	\$2.90	\$3.02	\$3.20	\$3.39	\$3.58	\$3.78	\$3.98	\$4.19	\$4.40	\$4.61	\$4.83	\$5.05	\$5.27	\$5.50

**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	52.18%	55.52%	55.08%	54.55%	54.84%	54.65%	54.46%	54.28%	54.09%	53.90%	53.71%	53.53%	53.34%	53.15%	52.97%	52.78%
American Water Works Company, Inc.	53.82%	54.32%	53.82%	53.97%	54.59%	54.43%	54.26%	54.10%	53.93%	53.77%	53.60%	53.44%	53.27%	53.11%	52.94%	52.78%
California Water Service Group	55.04%	48.64%	48.58%	47.23%	49.43%	49.74%	50.04%	50.35%	50.65%	50.95%	51.26%	51.56%	51.87%	52.17%	52.47%	52.78%
Essential Utilities, Inc.	60.04%	58.87%	58.72%	57.46%	57.29%	56.88%	56.47%	56.06%	55.65%	55.24%	54.83%	54.42%	54.01%	53.60%	53.19%	52.78%
SJW Group	58.44%	56.38%	55.65%	56.46%	56.33%	55.99%	55.66%	55.32%	54.99%	54.65%	54.32%	53.98%	53.65%	53.31%	52.98%	52.78%

**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	<b>6.53%</b>	-91.31	\$0.40	\$1.65	\$1.77	\$1.90	\$2.04	\$2.15	\$2.27	\$2.39	\$2.51	\$2.64	\$2.76	\$2.89	\$3.01	\$3.14	\$3.27	\$3.39
American Water Works Company, Inc.	<b>6.85%</b>	-148.57	\$0.71	\$2.79	\$3.01	\$3.26	\$3.52	\$3.77	\$4.02	\$4.27	\$4.53	\$4.79	\$5.05	\$5.31	\$5.57	\$5.82	\$6.07	\$6.31
California Water Service Group	<b>6.93%</b>	-59.22	\$0.26	\$1.03	\$1.11	\$1.18	\$1.31	\$1.42	\$1.53	\$1.65	\$1.77	\$1.89	\$2.02	\$2.14	\$2.27	\$2.39	\$2.52	\$2.64
Essential Utilities, Inc.	<b>7.50%</b>	-44.81	\$0.29	\$1.19	\$1.27	\$1.37	\$1.46	\$1.53	\$1.60	\$1.67	\$1.75	\$1.82	\$1.90	\$1.98	\$2.05	\$2.13	\$2.21	\$2.28
SJW Group	<b>6.48%</b>	-80.11	\$0.31	\$1.52	\$1.61	\$1.71	\$1.80	\$1.90	\$1.99	\$2.09	\$2.19	\$2.29	\$2.39	\$2.49	\$2.59	\$2.69	\$2.79	\$2.90
<b>Average</b>	<b>6.86%</b>																	

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**Annual Growth Rate Estimates Until Terminal Stage**

<b>Company Name</b>	<b>5-YR CAGR</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>
American States Water Company	6.13%		Discrete Estimates				5.96%	5.79%	5.62%	5.45%	5.28%	5.11%	4.93%	4.76%	4.59%	4.42%	4.25%
American Water Works Company, Inc.	7.61%		Discrete Estimates				7.31%	7.00%	6.69%	6.39%	6.08%	5.78%	5.47%	5.17%	4.86%	4.56%	4.25%
California Water Service Group	8.00%		Discrete Estimates				7.66%	7.32%	6.98%	6.64%	6.30%	5.95%	5.61%	5.27%	4.93%	4.59%	4.25%
Essential Utilities, Inc.	5.80%		Discrete Estimates				5.66%	5.52%	5.38%	5.23%	5.09%	4.95%	4.81%	4.67%	4.53%	4.39%	4.25%
SJW Group	6.00%		Discrete Estimates				5.84%	5.68%	5.52%	5.36%	5.20%	5.05%	4.89%	4.73%	4.57%	4.41%	4.25%

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.