

**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	\$4.13	\$4.36	\$4.59	\$4.82	\$5.06	\$5.29	\$5.53	\$5.76	\$5.99
American Water Works Company, Inc.	\$4.44	\$4.79	\$5.18	\$5.64	\$6.10	\$6.55	\$7.01	\$7.47	\$7.95	\$8.42	\$8.90	\$9.37	\$9.84	\$10.30	\$10.75	\$11.18
California Water Service Group	\$1.74	\$1.97	\$2.14	\$2.28	\$2.50	\$2.67	\$2.84	\$3.02	\$3.19	\$3.37	\$3.55	\$3.74	\$3.92	\$4.09	\$4.27	\$4.44
Essential Utilities, Inc.	\$1.78	\$1.90	\$2.05	\$2.22	\$2.41	\$2.55	\$2.71	\$2.86	\$3.02	\$3.18	\$3.34	\$3.51	\$3.67	\$3.83	\$4.00	\$4.16
SJW Group	\$2.38	\$2.52	\$2.74	\$2.87	\$3.05	\$3.29	\$3.53	\$3.78	\$4.03	\$4.28	\$4.53	\$4.78	\$5.02	\$5.26	\$5.49	\$5.71

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%	58.50%	58.20%	57.91%	57.61%	57.32%	57.03%	56.73%	56.44%	56.14%	55.85%	55.56%
American Water Works Company, Inc.	57.89%	58.50%	58.98%	58.76%	58.98%	58.67%	58.36%	58.05%	57.74%	57.43%	57.11%	56.80%	56.49%	56.18%	55.87%	55.56%
California Water Service Group	57.64%	54.75%	54.35%	54.82%	54.40%	54.51%	54.61%	54.72%	54.82%	54.93%	55.03%	55.14%	55.24%	55.35%	55.45%	55.56%
Essential Utilities, Inc.	62.90%	62.99%	62.66%	61.22%	60.08%	59.67%	59.26%	58.85%	58.44%	58.03%	57.61%	57.20%	56.79%	56.38%	55.97%	55.56%
SJW Group	60.50%	60.53%	58.66%	58.85%	58.58%	58.30%	58.03%	57.75%	57.48%	57.21%	56.93%	56.66%	56.38%	56.11%	55.83%	55.56%

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	6.09%	-84.64	\$0.40	\$1.65	\$1.77	\$1.90	\$2.04	\$2.16	\$2.27	\$2.39	\$2.51	\$2.63	\$2.75	\$2.87	\$2.99	\$3.10	\$3.22	\$3.33
American Water Works Company, Inc.	6.24%	-146.49	\$0.66	\$2.80	\$3.06	\$3.32	\$3.60	\$3.84	\$4.09	\$4.34	\$4.59	\$4.84	\$5.08	\$5.32	\$5.56	\$5.79	\$6.00	\$6.21
California Water Service Group	6.23%	-57.86	\$0.25	\$1.08	\$1.17	\$1.25	\$1.36	\$1.45	\$1.55	\$1.65	\$1.75	\$1.85	\$1.96	\$2.06	\$2.16	\$2.27	\$2.37	\$2.47
Essential Utilities, Inc.	6.66%	-46.77	\$0.29	\$1.20	\$1.28	\$1.36	\$1.45	\$1.52	\$1.60	\$1.68	\$1.77	\$1.85	\$1.93	\$2.01	\$2.09	\$2.16	\$2.24	\$2.31
SJW Group	5.90%	-87.65	\$0.31	\$1.53	\$1.60	\$1.69	\$1.79	\$1.92	\$2.05	\$2.18	\$2.31	\$2.45	\$2.58	\$2.71	\$2.83	\$2.95	\$3.07	\$3.17
Average	6.22%																	

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Annual Growth Rate Estimates Until Terminal Stage

Company Name	5-YR CAGR¹	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
American States Water Company	6.40%		Discrete Estimates				6.18%	5.96%	5.75%	5.53%	5.31%	5.09%	4.87%	4.65%	4.44%	4.22%	4.00%
American Water Works Company, Inc.	7.65%		Discrete Estimates				7.32%	6.99%	6.66%	6.32%	5.99%	5.66%	5.33%	5.00%	4.66%	4.33%	4.00%
California Water Service Group	7.00%		Discrete Estimates				6.73%	6.45%	6.18%	5.91%	5.64%	5.36%	5.09%	4.82%	4.55%	4.27%	4.00%
Essential Utilities, Inc.	6.42%		Discrete Estimates				6.20%	5.98%	5.76%	5.54%	5.32%	5.10%	4.88%	4.66%	4.44%	4.22%	4.00%
SJW Group	8.13%		Discrete Estimates				7.75%	7.38%	7.00%	6.63%	6.25%	5.88%	5.50%	5.13%	4.75%	4.38%	4.00%

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.