

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

Estimated Cash Flows

Company Name	Cost of Equity	Stock Price															Terminal Value	
		7/31/2024	8/15/2024	11/15/2024	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	7.14%	-\$73.43	\$0.47	\$0.47	\$1.93	\$2.08	\$2.21	\$2.37	\$2.37	\$2.54	\$2.71	\$2.88	\$3.05	\$3.22	\$3.39	\$3.55	\$3.70	\$132.18
American Water Works Company, Inc.	7.14%	-\$126.00	\$0.77	\$0.77	\$3.26	\$3.52	\$3.79	\$4.11	\$4.11	\$4.38	\$4.67	\$4.95	\$5.24	\$5.52	\$5.80	\$6.07	\$6.34	\$226.87
California Water Service Group	7.74%	-\$48.31	\$0.28	\$0.28	\$1.21	\$1.30	\$1.41	\$1.52	\$1.52	\$1.69	\$1.87	\$2.05	\$2.24	\$2.43	\$2.62	\$2.82	\$3.01	\$93.40
Essential Utilities, Inc.	7.84%	-\$37.08	\$0.33	\$0.33	\$1.35	\$1.43	\$1.53	\$1.61	\$1.61	\$1.69	\$1.78	\$1.86	\$1.94	\$2.02	\$2.10	\$2.18	\$2.25	\$64.82
SJW Group	7.56%	-\$53.62	\$0.40	\$0.55	\$1.69	\$1.79	\$1.90	\$2.01	\$2.01	\$2.13	\$2.25	\$2.38	\$2.50	\$2.63	\$2.76	\$2.89	\$3.03	\$96.04
Average	7.49%																	
Without Essential	7.40%																	

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

Annual Earnings Per Share Estimates

Company Name	Consensus Analysts' Discreet EPS Estimates (2024 - 2028)							Transitionay Period to Perpetual Growth (2028 - 2038)							Terminal Year
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
American States Water Company	\$3.03	\$3.32	\$3.50	\$3.75	\$4.00	\$4.30	\$4.61	\$4.93	\$5.24	\$5.56	\$5.87	\$6.17	\$6.47	\$6.76	\$7.03
American Water Works Company, Inc.	\$5.26	\$5.68	\$6.11	\$6.48	\$7.00	\$7.50	\$8.01	\$8.53	\$9.05	\$9.57	\$10.09	\$10.60	\$11.10	\$11.58	\$12.04
California Water Service Group	\$3.06	\$2.38	\$2.62	\$2.88	\$3.10	\$3.39	\$3.69	\$3.99	\$4.30	\$4.60	\$4.89	\$5.17	\$5.44	\$5.69	\$5.92
Essential Utilities, Inc.	\$1.99	\$2.13	\$2.25	\$2.39	\$2.57	\$2.73	\$2.89	\$3.05	\$3.22	\$3.39	\$3.56	\$3.72	\$3.89	\$4.06	\$4.22
SJW Group	\$2.75	\$2.98	\$3.17	\$3.38	\$3.61	\$3.82	\$4.03	\$4.24	\$4.46	\$4.68	\$4.90	\$5.13	\$5.35	\$5.58	\$5.80

Dividend Payout Ratios

Company Name	Discrete Dividend Payout Ratios (2024 - 2028)							Transitionay Payout Ratio Until Perpetual Growth (2028 - 2038)							
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
American States Water Company	59.08%	57.98%	59.29%	58.93%	59.25%	59.00%	58.75%	58.50%	58.25%	58.00%	57.75%	57.50%	57.26%	57.01%	56.76%
American Water Works Company, Inc.	57.55%	57.39%	57.54%	58.50%	58.61%	58.43%	58.24%	58.06%	57.87%	57.69%	57.50%	57.31%	57.13%	56.94%	56.76%
California Water Service Group	36.60%	50.68%	49.62%	48.96%	49.03%	49.80%	50.58%	51.35%	52.12%	52.89%	53.67%	54.44%	55.21%	55.98%	56.76%
Essential Utilities, Inc.	63.43%	63.21%	63.66%	64.12%	62.65%	62.06%	61.47%	60.88%	60.29%	59.70%	59.11%	58.52%	57.93%	57.35%	56.76%
SJW Group	58.10%	56.66%	56.30%	56.21%	55.68%	55.79%	55.89%	56.00%	56.11%	56.22%	56.33%	56.43%	56.54%	56.65%	56.76%

Estimated Dividends

Company Name	Cost of Equity	Stock Price															
		7/31/2024	8/15/2024	11/15/2024	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	7.11%	-73.43	\$0.47	\$0.47	\$1.93	\$2.08	\$2.21	\$2.37	\$2.37	\$2.54	\$2.71	\$2.88	\$3.05	\$3.22	\$3.39	\$3.55	\$3.70
American Water Works Company, Inc.	7.10%	-126.00	\$0.77	\$0.77	\$3.26	\$3.52	\$3.79	\$4.11	\$4.11	\$4.38	\$4.67	\$4.95	\$5.24	\$5.52	\$5.80	\$6.07	\$6.34
California Water Service Group	7.73%	-48.31	\$0.28	\$0.28	\$1.21	\$1.30	\$1.41	\$1.52	\$1.52	\$1.69	\$1.87	\$2.05	\$2.24	\$2.43	\$2.62	\$2.82	\$3.01
Essential Utilities, Inc.	7.83%	-37.08	\$0.33	\$0.33	\$1.35	\$1.43	\$1.53	\$1.61	\$1.61	\$1.69	\$1.78	\$1.86	\$1.94	\$2.02	\$2.10	\$2.18	\$2.25
SJW Group	7.54%	-53.62	\$0.40	\$0.55	\$1.69	\$1.79	\$1.90	\$2.01	\$2.01	\$2.13	\$2.25	\$2.38	\$2.50	\$2.63	\$2.76	\$2.89	\$3.03
Average	7.46%																
Without Essential	7.37%																

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

Annual Growth Rate Estimates Until Terminal Stage

Company Name	5-YR CAGR	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
American States Water Company	8.00%		Discrete Estimates				7.60%	7.20%	6.80%	6.40%	6.00%	5.60%	5.20%	4.80%	4.40%	4.00%
American Water Works Company, Inc.	7.50%		Discrete Estimates				7.15%	6.80%	6.45%	6.10%	5.75%	5.40%	5.05%	4.70%	4.35%	4.00%
California Water Service Group	10.00%		Discrete Estimates				9.40%	8.80%	8.20%	7.60%	7.00%	6.40%	5.80%	5.20%	4.60%	4.00%
Essential Utilities, Inc.	6.40%		Discrete Estimates				6.16%	5.92%	5.68%	5.44%	5.20%	4.96%	4.72%	4.48%	4.24%	4.00%
SJW Group	5.90%		Discrete Estimates				5.71%	5.52%	5.33%	5.14%	4.95%	4.76%	4.57%	4.38%	4.19%	4.00%

Source: S&P Market intelligence as of August 9, 2024.