

**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	7.08%	-\$73.43	\$0.47	\$0.47	\$1.93	\$1.93	\$2.08	\$2.21	\$2.37	\$2.55	\$2.74	\$2.92	\$3.11	\$3.31	\$3.49	\$3.68	\$3.86	\$131.00
American Water Works Company, Inc.	7.06%	-\$126.00	\$0.77	\$0.77	\$3.26	\$3.26	\$3.52	\$3.79	\$4.11	\$4.41	\$4.71	\$5.02	\$5.34	\$5.66	\$5.98	\$6.29	\$6.60	\$224.81
California Water Service Group	7.73%	-\$48.31	\$0.28	\$0.28	\$1.21	\$1.21	\$1.30	\$1.41	\$1.52	\$1.70	\$1.89	\$2.09	\$2.29	\$2.50	\$2.72	\$2.94	\$3.16	\$93.20
Essential Utilities, Inc.	7.79%	-\$37.08	\$0.33	\$0.33	\$1.35	\$1.35	\$1.43	\$1.53	\$1.61	\$1.70	\$1.79	\$1.88	\$1.98	\$2.07	\$2.16	\$2.25	\$2.34	\$64.41
SJW Group	7.50%	-\$53.62	\$0.40	\$0.55	\$1.69	\$1.69	\$1.79	\$1.90	\$2.04	\$2.17	\$2.30	\$2.43	\$2.57	\$2.71	\$2.85	\$3.00	\$3.14	\$94.96
Average	7.43%																	
Without Essential	7.34%																	

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Annual Earnings Per Share Estimates

Company Name	Consensus Analysts' Discreet EPS Estimates (2024 - 2028)							Transitionary Period to Perpetual Growth (2028 - 2038)							
	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	\$4.62	\$4.93	\$5.25	\$5.57	\$5.88	\$6.20	\$6.50	\$6.79	\$7.08
American Water Works Company, Inc.	\$5.26	\$5.68	\$6.11	\$6.48	\$7.00	\$7.50	\$8.02	\$8.54	\$9.06	\$9.58	\$10.11	\$10.62	\$11.13	\$11.62	\$12.10
California Water Service Group	\$3.06	\$2.38	\$2.62	\$2.88	\$3.10	\$3.39	\$3.69	\$4.00	\$4.31	\$4.62	\$4.92	\$5.22	\$5.50	\$5.77	\$6.02
Essential Utilities, Inc.	\$1.99	\$2.13	\$2.25	\$2.39	\$2.57	\$2.73	\$2.89	\$3.05	\$3.22	\$3.39	\$3.55	\$3.72	\$3.89	\$4.05	\$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	\$5.12	\$5.34	\$5.56	\$5.78

Dividend Payout Ratios

Company Name	Discrete Dividend Payout Ratios (2024 - 2028)							Transitionary 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%	59.27%	59.29%	59.31%	59.33%	59.35%	59.38%	59.40%	59.42%	59.44%	59.46%
American Water Works Company, Inc.	57.55%	57.39%	57.54%	58.50%	58.61%	58.70%	58.78%	58.87%	58.95%	59.04%	59.12%	59.21%	59.29%	59.38%	59.46%
California Water Service Group	36.60%	50.68%	49.62%	48.96%	49.03%	50.07%	51.12%	52.16%	53.20%	54.25%	55.29%	56.33%	57.37%	58.42%	59.46%
Essential Utilities, Inc.	63.43%	63.21%	63.66%	64.12%	62.65%	62.33%	62.01%	61.69%	61.37%	61.05%	60.73%	60.42%	60.10%	59.78%	59.46%
SJW Group	58.10%	56.66%	56.30%	56.21%	56.48%	56.78%	57.08%	57.38%	57.67%	57.97%	58.27%	58.57%	58.86%	59.16%	59.46%

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	7.06%	-73.43	\$0.47	\$0.47	\$1.93	\$1.93	\$2.08	\$2.21	\$2.37	\$2.55	\$2.74	\$2.92	\$3.11	\$3.31	\$3.49	\$3.68	\$3.86
American Water Works Company, Inc.	7.05%	-126.00	\$0.77	\$0.77	\$3.26	\$3.26	\$3.52	\$3.79	\$4.11	\$4.41	\$4.71	\$5.02	\$5.34	\$5.66	\$5.98	\$6.29	\$6.60
California Water Service Group	7.73%	-48.31	\$0.28	\$0.28	\$1.21	\$1.21	\$1.30	\$1.41	\$1.52	\$1.70	\$1.89	\$2.09	\$2.29	\$2.50	\$2.72	\$2.94	\$3.16
Essential Utilities, Inc.	7.79%	-37.08	\$0.33	\$0.33	\$1.35	\$1.35	\$1.43	\$1.53	\$1.61	\$1.70	\$1.79	\$1.88	\$1.98	\$2.07	\$2.16	\$2.25	\$2.34
SJW Group	7.50%	-53.62	\$0.40	\$0.55	\$1.69	\$1.69	\$1.79	\$1.90	\$2.04	\$2.17	\$2.30	\$2.43	\$2.57	\$2.71	\$2.85	\$3.00	\$3.14
Average	7.42%																
Without Essential	7.33%																

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Annual Growth Rate Estimates Until Terminal Stage

Company Name	5-YR CAGR	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
American States Water Company	8.00%		Discrete Estimates				7.61%	7.23%	6.84%	6.45%	6.07%	5.68%	5.30%	4.91%	4.52%	4.14%	3.75%
American Water Works Company, Inc.	7.50%		Discrete Estimates				7.16%	6.82%	6.48%	6.14%	5.80%	5.45%	5.11%	4.77%	4.43%	4.09%	3.75%
California Water Service Group	10.00%		Discrete Estimates				9.43%	8.86%	8.30%	7.73%	7.16%	6.59%	6.02%	5.45%	4.89%	4.32%	3.75%
Essential Utilities, Inc.	6.40%		Discrete Estimates				6.16%	5.92%	5.68%	5.44%	5.20%	4.95%	4.71%	4.47%	4.23%	3.99%	3.75%
SJW Group	5.90%		Discrete Estimates				5.70%	5.51%	5.31%	5.12%	4.92%	4.73%	4.53%	4.34%	4.14%	3.95%	3.75%

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