

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

Estimated Cash Flows

Company Name	Cost of Equity	<u>Estimated Cash Flows</u>															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	6/30/2038
American States Water Company	7.52%	-\$73.43	\$0.47	\$0.47	\$2.08	\$2.21	\$2.37	\$2.53	\$2.69	\$2.85	\$3.01	\$3.17	\$3.33	\$3.49	\$3.64	\$3.78	\$3.92	\$135.26
American Water Works Company, Inc.	7.52%	-\$126.00	\$0.77	\$0.77	\$3.52	\$3.79	\$4.11	\$4.37	\$4.63	\$4.90	\$5.17	\$5.43	\$5.70	\$5.96	\$6.21	\$6.46	\$6.70	\$232.03
California Water Service Group	8.22%	-\$48.31	\$0.28	\$0.28	\$1.30	\$1.41	\$1.52	\$1.68	\$1.85	\$2.03	\$2.21	\$2.39	\$2.58	\$2.77	\$2.96	\$3.15	\$3.33	\$94.94
Essential Utilities, Inc.	8.23%	-\$37.08	\$0.33	\$0.33	\$1.43	\$1.53	\$1.61	\$1.69	\$1.76	\$1.84	\$1.91	\$1.99	\$2.06	\$2.13	\$2.20	\$2.27	\$2.33	\$66.46
SJW Group	7.94%	-\$53.62	\$0.40	\$0.55	\$1.79	\$1.90	\$2.01	\$2.12	\$2.23	\$2.35	\$2.46	\$2.58	\$2.70	\$2.83	\$2.95	\$3.08	\$3.20	\$98.18
Average	7.89%																	
Without Essential	7.80%																	

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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	\$4.31	\$4.62	\$4.94	\$5.27	\$5.60	\$5.94	\$6.27	\$6.60	\$6.93	\$7.25
American Water Works Company, Inc.	\$5.26	\$5.68	\$6.11	\$6.48	\$7.00	\$7.51	\$8.03	\$8.56	\$9.10	\$9.65	\$10.20	\$10.75	\$11.30	\$11.85	\$12.39
California Water Service Group	\$3.06	\$2.38	\$2.62	\$2.88	\$3.10	\$3.39	\$3.70	\$4.01	\$4.33	\$4.65	\$4.97	\$5.28	\$5.59	\$5.88	\$6.16
Essential Utilities, Inc.	\$1.99	\$2.13	\$2.25	\$2.39	\$2.57	\$2.73	\$2.89	\$3.06	\$3.23	\$3.41	\$3.59	\$3.77	\$3.95	\$4.13	\$4.32
SJW Group	\$2.75	\$2.98	\$3.17	\$3.38	\$3.61	\$3.82	\$4.03	\$4.25	\$4.48	\$4.71	\$4.94	\$5.18	\$5.43	\$5.67	\$5.92

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%	58.73%	58.21%	57.69%	57.17%	56.65%	56.13%	55.61%	55.09%	54.57%	54.05%
American Water Works Company, Inc.	57.55%	57.39%	57.54%	58.50%	58.61%	58.16%	57.70%	57.25%	56.79%	56.33%	55.88%	55.42%	54.97%	54.51%	54.05%
California Water Service Group	36.60%	50.68%	49.62%	48.96%	49.03%	49.53%	50.04%	50.54%	51.04%	51.54%	52.05%	52.55%	53.05%	53.55%	54.05%
Essential Utilities, Inc.	63.43%	63.21%	63.66%	64.12%	62.65%	61.79%	60.93%	60.07%	59.21%	58.35%	57.49%	56.63%	55.77%	54.91%	54.05%
SJW Group	58.10%	56.66%	56.30%	56.21%	55.68%	55.52%	55.35%	55.19%	55.03%	54.87%	54.70%	54.54%	54.38%	54.22%	54.05%

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	7.49%	-\$73.43	\$0.47	\$0.47	\$2.08	\$2.21	\$2.37	\$2.53	\$2.69	\$2.85	\$3.01	\$3.17	\$3.33	\$3.49	\$3.64	\$3.78	\$3.92
American Water Works Company, Inc.	7.48%	-\$126.00	\$0.77	\$0.77	\$3.52	\$3.79	\$4.11	\$4.37	\$4.63	\$4.90	\$5.17	\$5.43	\$5.70	\$5.96	\$6.21	\$6.46	\$6.70
California Water Service Group	8.21%	-\$48.31	\$0.28	\$0.28	\$1.30	\$1.41	\$1.52	\$1.68	\$1.85	\$2.03	\$2.21	\$2.39	\$2.58	\$2.77	\$2.96	\$3.15	\$3.33
Essential Utilities, Inc.	8.21%	-\$37.08	\$0.33	\$0.33	\$1.43	\$1.53	\$1.61	\$1.69	\$1.76	\$1.84	\$1.91	\$1.99	\$2.06	\$2.13	\$2.20	\$2.27	\$2.33
SJW Group	7.92%	-\$53.62	\$0.40	\$0.55	\$1.79	\$1.90	\$2.01	\$2.12	\$2.23	\$2.35	\$2.46	\$2.58	\$2.70	\$2.83	\$2.95	\$3.08	\$3.20
Average	7.86%																
Without Essential	7.78%																

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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				7.66%	7.32%	6.98%	6.64%	6.30%	5.95%	5.61%	5.27%	4.93%	4.59%	4.25%
American Water Works Company, Inc.	7.50%		Discrete Estimates				7.20%	6.91%	6.61%	6.32%	6.02%	5.73%	5.43%	5.14%	4.84%	4.55%	4.25%
California Water Service Group	10.00%		Discrete Estimates				9.48%	8.95%	8.43%	7.91%	7.39%	6.86%	6.34%	5.82%	5.30%	4.77%	4.25%
Essential Utilities, Inc.	6.40%		Discrete Estimates				6.20%	6.01%	5.81%	5.62%	5.42%	5.23%	5.03%	4.84%	4.64%	4.45%	4.25%
SJW Group	5.90%		Discrete Estimates				5.75%	5.60%	5.45%	5.30%	5.15%	5.00%	4.85%	4.70%	4.55%	4.40%	4.25%

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