

**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)								
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
American States Water Company	\$3.03	\$3.33	\$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.	\$5.27	\$5.71	\$6.13	\$6.44	\$6.94	\$7.46	\$7.99	\$8.53	\$9.06	\$9.60	\$10.14	\$10.66	\$11.17	\$11.66	\$12.12
California Water Service Group	\$3.28	\$2.35	\$2.54	\$2.90	\$3.10	\$3.38	\$3.67	\$3.96	\$4.25	\$4.54	\$4.82	\$5.10	\$5.36	\$5.60	\$5.83
Essential Utilities, Inc.	\$1.99	\$2.12	\$2.22	\$2.39	\$2.55	\$2.71	\$2.87	\$3.04	\$3.20	\$3.37	\$3.54	\$3.71	\$3.87	\$4.04	\$4.20
SJW Group	\$2.75	\$2.95	\$3.10	\$3.29	\$3.45	\$3.62	\$3.79	\$3.97	\$4.15	\$4.34	\$4.53	\$4.72	\$4.92	\$5.12	\$5.33

Dividend Payout Ratios

Company Name	Discrete Dividend Payout Ratio (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%	57.74%	58.86%	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.	57.21%	56.98%	57.36%	58.84%	59.08%	58.85%	58.61%	58.38%	58.15%	57.92%	57.69%	57.45%	57.22%	56.99%	56.76%
California Water Service Group	34.11%	51.42%	51.64%	48.62%	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.	63.61%	63.17%	64.06%	63.85%	62.92%	62.31%	61.69%	61.07%	60.46%	59.84%	59.22%	58.61%	57.99%	57.37%	56.76%
SJW Group	58.17%	57.17%	57.58%	57.84%	57.97%	57.85%	57.73%	57.61%	57.49%	57.36%	57.24%	57.12%	57.00%	56.88%	56.76%

Estimated Dividends

Company Name	Cost of Equity	Stock Price															
		10/31/2024	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	7.13%	-76.58	\$0.47	\$1.92	\$2.06	\$2.21	\$2.37	\$2.54	\$2.71	\$2.88	\$3.05	\$3.22	\$3.39	\$3.55	\$3.70	\$3.85	\$3.99
American Water Works Company, Inc.	7.14%	-131.49	\$0.77	\$3.25	\$3.52	\$3.79	\$4.10	\$4.39	\$4.68	\$4.98	\$5.27	\$5.56	\$5.85	\$6.12	\$6.39	\$6.64	\$6.88
California Water Service Group	7.73%	-50.40	\$0.28	\$1.21	\$1.31	\$1.41	\$1.52	\$1.68	\$1.86	\$2.03	\$2.22	\$2.40	\$2.59	\$2.78	\$2.96	\$3.14	\$3.31
Essential Utilities, Inc.	7.93%	-37.64	\$0.33	\$1.34	\$1.43	\$1.53	\$1.61	\$1.69	\$1.77	\$1.86	\$1.94	\$2.02	\$2.10	\$2.17	\$2.25	\$2.32	\$2.38
SJW Group	7.20%	-57.89	\$0.34	\$1.69	\$1.79	\$1.90	\$2.00	\$2.09	\$2.19	\$2.29	\$2.39	\$2.49	\$2.59	\$2.70	\$2.80	\$2.91	\$3.02
Average	7.43%																
Without Essential	7.30%																

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

Annual Growth Rate Estimates Until Terminal Stage

Company Name	5-YR CAGR¹	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.	7.87%		Discrete Estimates				7.49%	7.10%	6.71%	6.32%	5.94%	5.55%	5.16%	4.77%	4.39%	4.00%
California Water Service Group	9.62%		Discrete Estimates				9.06%	8.50%	7.93%	7.37%	6.81%	6.25%	5.69%	5.12%	4.56%	4.00%
Essential Utilities, Inc.	6.46%		Discrete Estimates				6.21%	5.97%	5.72%	5.48%	5.23%	4.98%	4.74%	4.49%	4.25%	4.00%
SJW Group	4.98%		Discrete Estimates				4.88%	4.78%	4.68%	4.59%	4.49%	4.39%	4.29%	4.20%	4.10%	4.00%

Source: S&P Market intelligence as of November 11, 2024.

Note:

1. Explicit long-term compound annual growth rate (CAGR) consensus for all companies except California Water Services Group. Implied long-term CAGR for California Water Services Group based on 2025-2028 Discrete EPS estimates.