

**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)						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	\$3.33	\$3.50	\$3.75	\$4.00	\$4.30	\$4.61	\$4.93	\$5.24	\$5.56	\$5.87	\$6.18	\$6.48	\$6.77	\$7.03
American Water Works Company, Inc.	\$5.27	\$5.71	\$6.13	\$6.44	\$6.94	\$7.46	\$7.99	\$8.52	\$9.06	\$9.60	\$10.14	\$10.67	\$11.18	\$11.68	\$12.12
California Water Service Group	\$3.28	\$2.35	\$2.54	\$2.90	\$3.10	\$3.38	\$3.67	\$3.96	\$4.25	\$4.55	\$4.84	\$5.12	\$5.39	\$5.65	\$5.86
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	\$3.70	\$3.87	\$4.03	\$4.18
SJW Group	\$2.75	\$2.95	\$3.10	\$3.29	\$3.45	\$3.62	\$3.79	\$3.96	\$4.14	\$4.33	\$4.51	\$4.70	\$4.89	\$5.09	\$5.28

**Dividend Payout Ratios**

Company Name	Discrete Dividend Payout Ratio (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%	57.74%	58.86%	58.93%	59.25%	59.27%	59.29%	59.31%	59.33%	59.35%	59.37%	59.39%	59.40%	59.42%	59.46%
American Water Works Company, Inc.	57.21%	56.98%	57.36%	58.84%	59.08%	59.11%	59.15%	59.18%	59.22%	59.25%	59.29%	59.32%	59.36%	59.39%	59.46%
California Water Service Group	34.11%	51.42%	51.64%	48.62%	49.03%	49.98%	50.93%	51.88%	52.82%	53.77%	54.72%	55.67%	56.62%	57.56%	59.46%
Essential Utilities, Inc.	63.61%	63.17%	64.06%	63.85%	62.92%	62.61%	62.29%	61.98%	61.66%	61.35%	61.03%	60.72%	60.40%	60.09%	59.46%
SJW Group	58.17%	57.17%	57.58%	57.84%	57.97%	58.11%	58.24%	58.38%	58.51%	58.65%	58.78%	58.92%	59.05%	59.19%	59.46%

**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	<b>7.08%</b>	-76.58	\$0.47	\$1.92	\$2.06	\$2.21	\$2.37	\$2.55	\$2.73	\$2.92	\$3.11	\$3.30	\$3.49	\$3.67	\$3.85	\$4.02	\$4.18
American Water Works Company, Inc.	<b>7.09%</b>	-131.49	\$0.77	\$3.25	\$3.52	\$3.79	\$4.10	\$4.41	\$4.72	\$5.04	\$5.37	\$5.69	\$6.01	\$6.33	\$6.64	\$6.94	\$7.21
California Water Service Group	<b>7.72%</b>	-50.40	\$0.28	\$1.21	\$1.31	\$1.41	\$1.52	\$1.69	\$1.87	\$2.05	\$2.25	\$2.45	\$2.65	\$2.85	\$3.05	\$3.25	\$3.48
Essential Utilities, Inc.	<b>7.91%</b>	-37.64	\$0.33	\$1.34	\$1.43	\$1.53	\$1.61	\$1.70	\$1.79	\$1.88	\$1.97	\$2.07	\$2.16	\$2.25	\$2.34	\$2.42	\$2.49
SJW Group	<b>7.13%</b>	-57.89	\$0.34	\$1.69	\$1.79	\$1.90	\$2.00	\$2.10	\$2.21	\$2.31	\$2.42	\$2.54	\$2.65	\$2.77	\$2.89	\$3.01	\$3.14
<b>Average</b>	<b>7.39%</b>																
<b>Without Essential</b>	<b>7.25%</b>																

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**Annual Growth Rate Estimates Until Terminal Stage**

<b>Company Name</b>	<b>5-YR CAGR</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>
American States Water Company	8.00%		Discrete Estimates				7.58%	7.19%	6.80%	6.42%	6.03%	5.64%	5.26%	4.87%	4.48%	3.75%
American Water Works Company, Inc.	7.87%		Discrete Estimates				7.46%	7.09%	6.71%	6.34%	5.96%	5.59%	5.21%	4.84%	4.46%	3.75%
California Water Service Group	9.62%		Discrete Estimates				9.03%	8.50%	7.97%	7.43%	6.90%	6.37%	5.83%	5.30%	4.76%	3.75%
Essential Utilities, Inc.	6.46%		Discrete Estimates				6.19%	5.94%	5.70%	5.45%	5.20%	4.96%	4.71%	4.46%	4.22%	3.75%
SJW Group	4.98%		Discrete Estimates				4.85%	4.74%	4.63%	4.52%	4.41%	4.30%	4.19%	4.07%	3.96%	3.75%

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

Notes:

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.