



Investor Presentation  
October 2024

*SJW Group*



# National Pure-Play Water/Wastewater: Local Expertise

## Our Mission

Trusted, passionate, and socially-responsible professionals delivering life-sustaining, high-quality water and exceptional service while protecting the environment, enhancing our communities and providing a fair return to shareholders

## Market Data<sup>1</sup>

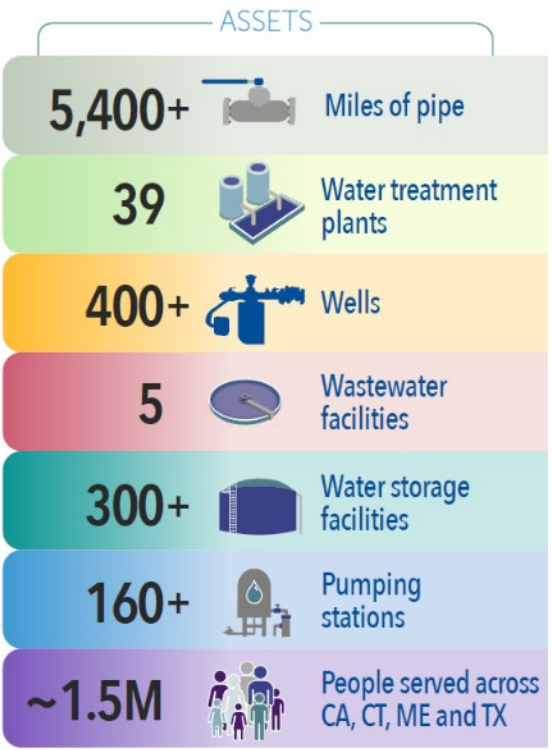
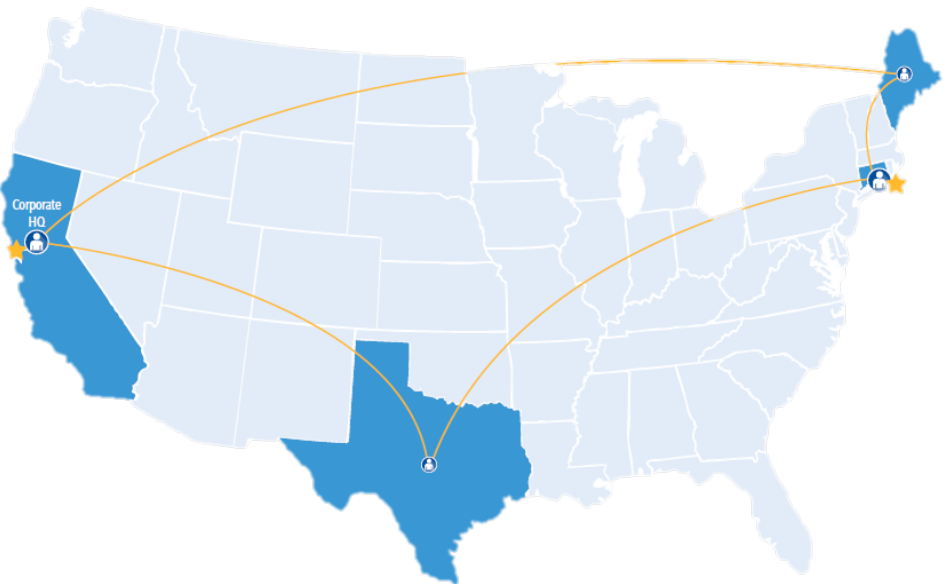
As of October 11, 2024, unless otherwise noted:

- \$3.6 Billion Total Enterprise Value
- \$1.9 Billion Market Capitalization
- 2.8% Dividend Yield
- 30% Five-Year Total Shareholder Return as of December 31, 2023
- \$670 Million Operating Revenue in 2023

## Resources

As of December 31, 2023, unless otherwise noted:

- 405,850 Water & Wastewater Connections
- \$2.1 Billion Rate Base<sup>2</sup>



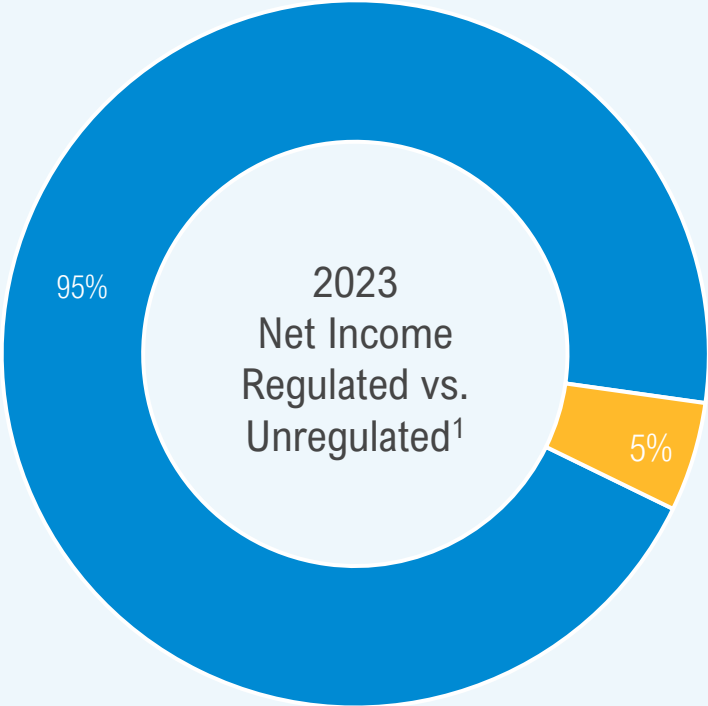
<sup>1</sup> Source: Bloomberg

<sup>2</sup> An approximation of rate base, which includes net utility plant not yet included in rate base pending rate case filings/outcomes

# Strategically Diverse Business Model

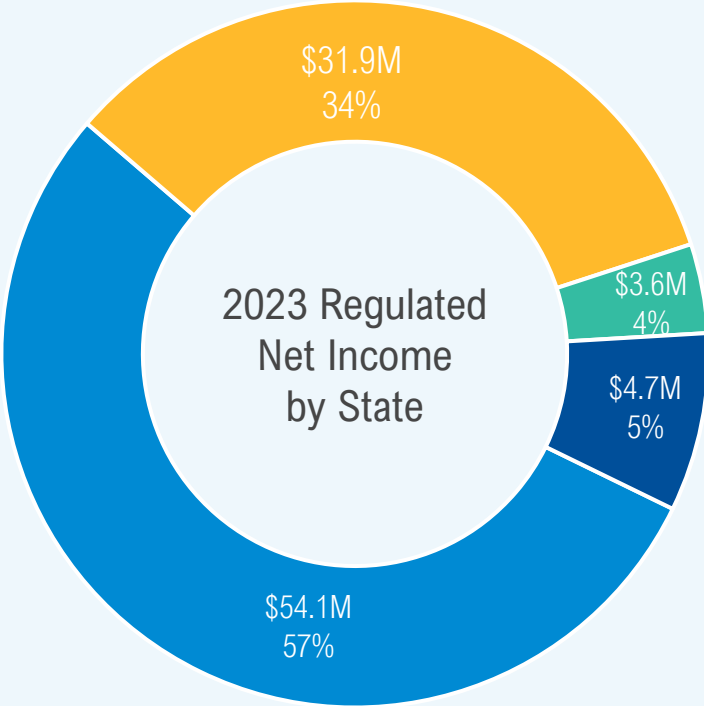
- Economic, Weather and Regulatory Diversity

Pure-Play Regulated Water/Wastewater



■ Regulated ■ Unregulated

Geographic Diversity



■ CA ■ CT ■ ME ■ TX

<sup>1</sup> 2023 net income of the water utility services business segment, excludes real estate

# Building Blocks for Delivering Value

## Shareholders

- Leverage regulatory compact
- Infrastructure investment and earning a return “of and on” investments
- Focus on core water and wastewater
- Maintain constructive regulatory relationships
- Deliver growth that adds shareholder value

## Environment

- Sustainability is at the core of our business
- Passionate about stewardship and the value of water
- Protect and manage water and watersheds for the future
- Use available rate-making tools to encourage conservation
- Leverage technology to minimize water loss

## Customers/Communities

- Provide high-quality water while supporting conservation
- High level of community engagement
- Deliver world-class service
- Customer financial assistance programs
- Be a positive force in the community

## Employees

- Passionate employees delivering a life-sustaining service
- Values-based, team-oriented approach
- Healthy, safe and secure workplace
- Invest in education and leadership development for our water professionals

# Key Investment Highlights

## Growth – Capital and Customers

- Invested \$272M in water/wastewater infrastructure in 2023, \$332M projected in 2024
- Announced \$230M CapEx estimate for per- and polyfluoroalkyl substances (PFAS) remediation, subject to regulatory approval
- Texas customer base quadrupled between 2006 and 2022, operations in three of the five fastest-growing counties in the U.S., and in 2023 outstanding development units (potential connections) increased 47%

## Geographic and Regulatory Diversity

- Diversity of operations in four-state regulatory and weather environments that help balance risk
- Achieved constructive regulatory outcome in California Cost of Capital proceeding that provides for return on equity increases, including maintained use of the Water Cost of Capital Mechanism
- System improvement charge in Texas, and general rate cases and infrastructure investment surcharges in Connecticut and Maine

## Commitment to ESG

- Science-based target to reduce Scope 1 and 2 carbon emissions 50% by 2030, 20% reduction achieved 2019 to 2022
- Fostering environmental stewardship – nonrevenue water performance at 10.4% in 2023
- Recognized for excellence in supplier diversity – \$63M, or 21%, of addressable spend in 2023 support supplier responsibility through Vendor Code of Conduct, and committed to diversity, equity and inclusion

## Strong Dividend Track Record

- Dividend growth CAGR exceeding 6% over the past five years
- Paid a dividend for 80 consecutive years, with increases in the past 56 consecutive years

# Strategy for Continued Growth

## Capital Expenditures (CapEx)

- Investment in water utility infrastructure and earning a return “of and on” that investment
- Five-year plan to invest \$1.6B in water/wastewater infrastructure and PFAS remediation, subject to regulatory approval
- Leverage era of infrastructure replacement to deliver value for customers and shareholders

## Constructive Regulatory Environment

- Experienced and highly regarded regulatory teams working cooperatively with state commissions to align customer and shareholder interests
- Regulatory lag minimized by forward-looking test year in California and infrastructure replacement surcharge mechanisms in Connecticut, Maine and Texas

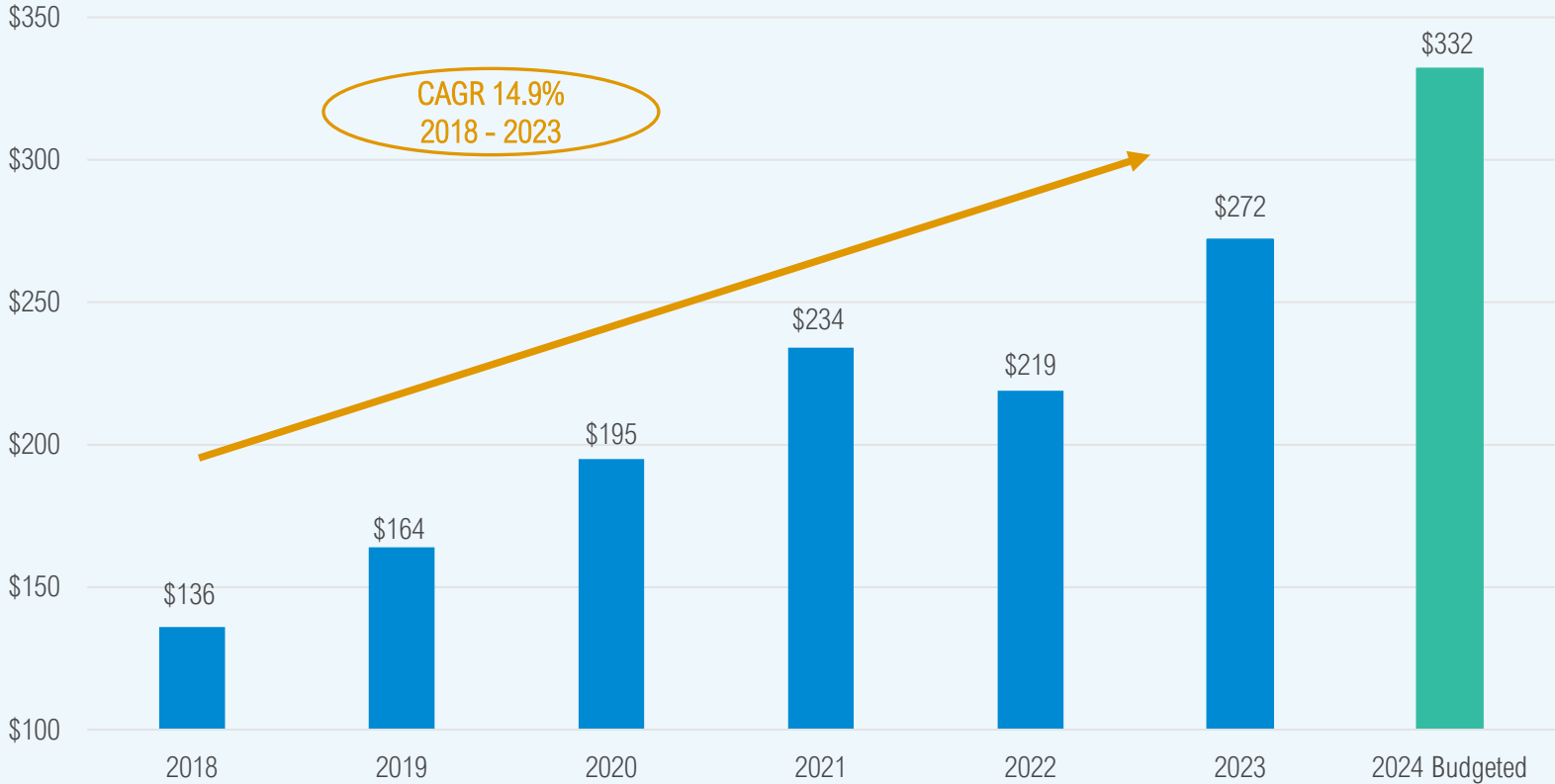
## Acquisitions

- Opportunistic, with a focus on growth potential
- Water and wastewater systems
- National footprint for growth



# Infrastructure Investment Drives Rate Base Growth

SJW Group CapEx  
in Millions



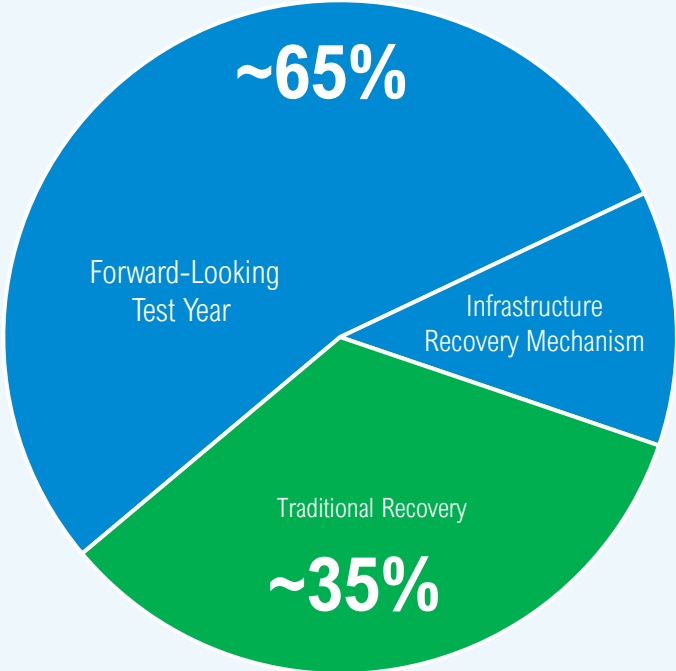
Targeting \$1.6 billion infrastructure investment over the next five years in water, wastewater, and PFAS remediation

In 2024, approximately \$219 million is allocated to projects that are in forward-looking jurisdictions or eligible for infrastructure recovery mechanisms

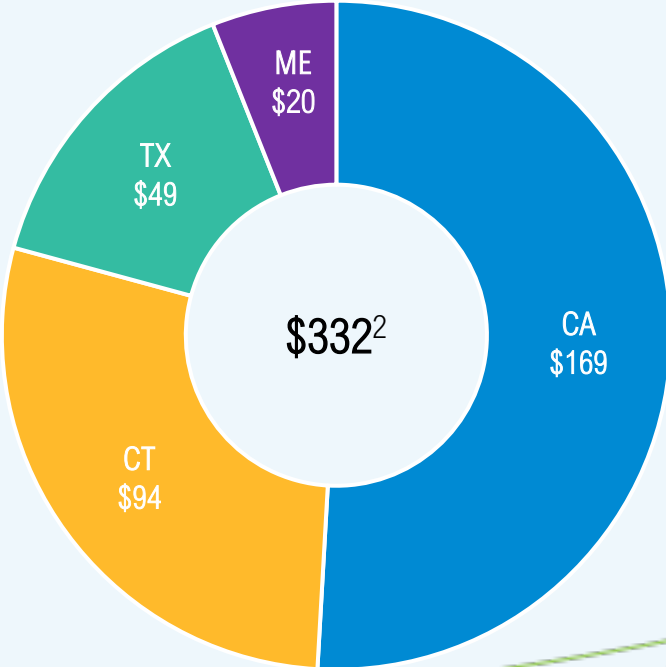
# Meeting Long-Term Investment Needs

\$1.6 billion in infrastructure investment planned for 2024 - 2028

Timely Recovery  
Through Regulatory Mechanisms in 2024<sup>1</sup>



2024 Budgeted CapEx  
In millions



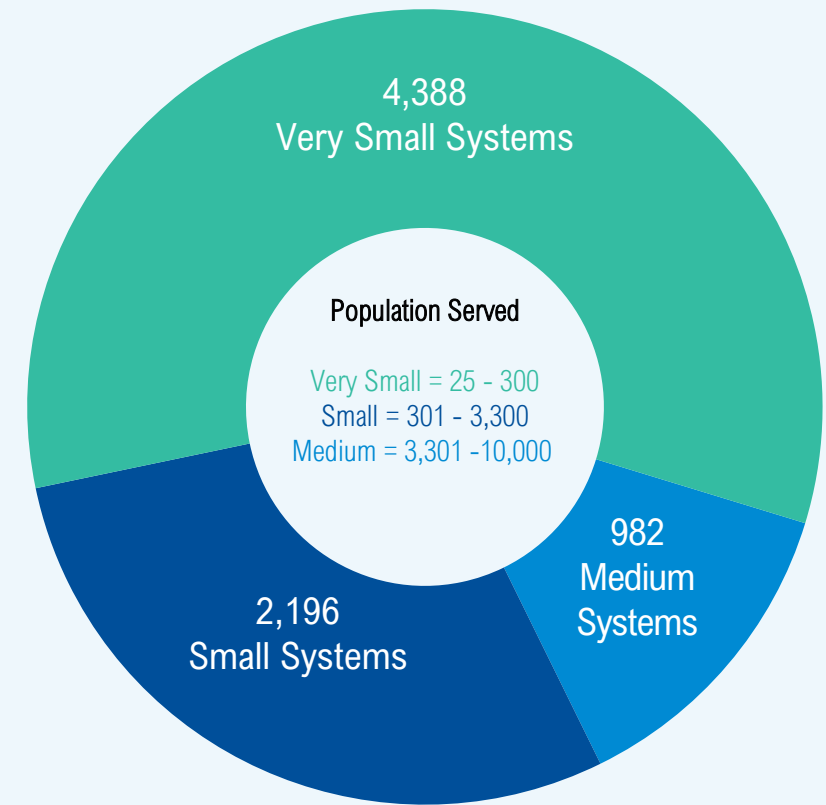
<sup>1</sup> Based on budgeted investments or filings that qualify for infrastructure recovery mechanisms  
<sup>2</sup> Includes approximately \$27 million for Advanced Metering Infrastructure at San Jose Water Company in 2024



# Acquisition Growth and Opportunities

- 2010 - 2023 customer growth
  - 25+ acquisitions by SJW Group and subsidiaries
  - 72% customer growth: ~170,000 connections
  - Transformational growth with CTWS acquisition in 2019
- Recent acquisitions
  - KT Water Development: 570 service connections in Comal County, TX
  - KT Water Resources: significant water supply in Comal County, TX
- Connection growth in Texas quadrupled between 2006 and 2023 to more than 28,000 water and 950 wastewater connections
- Opportunities
  - More than 52,000 community water systems nationwide
  - More than 16,000 publicly owned wastewater systems nationwide

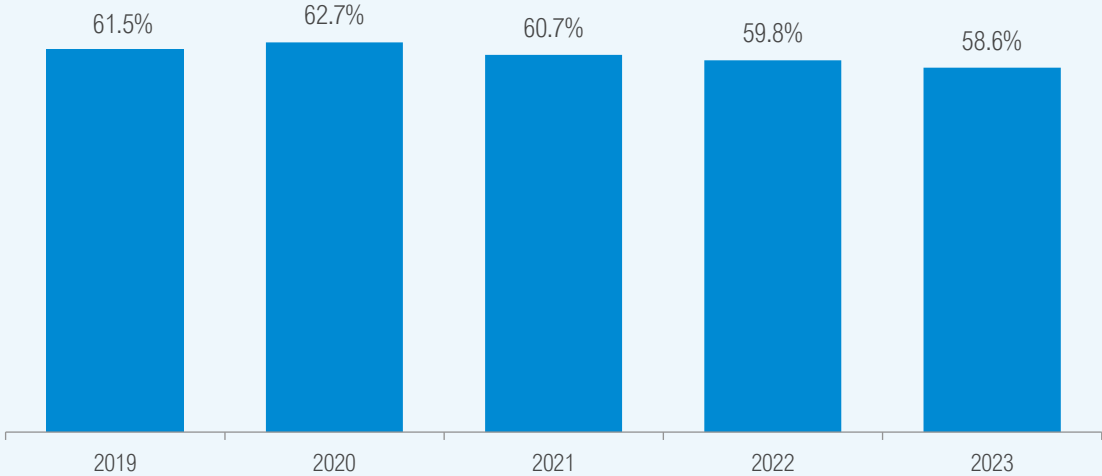
Very Small, Small and Medium-Sized Community Water Systems in CA, CT, ME and TX



# Strong Access to Capital Markets

- S&P Credit Rating A- /negative
- \$350 million bank lines of credit, \$217 million utilized<sup>1</sup>
  - Planning to issue approximately \$160 million in debt in 2024 to pay down line of credit
- \$33 million in gross proceeds raised in equity issuances under SJW's at the market offering program through 2Q24
- \$1.9 billion market capitalization<sup>2</sup>

### Improving Debt to Capitalization<sup>3</sup>



<sup>1</sup> As of June 30, 2024

<sup>2</sup> As of October 11, 2024

<sup>3</sup> Includes long-term and short-term debt

# Geographic & Regulatory Diversity



# Leveraging Local Expertise to Meet Local Needs

## Regulated Water/Wastewater

**San Jose Water**

- 232,400 service connections
- Growth-supported infrastructure replacement
- Forward-looking test year

**Connecticut Water**

- 107,700 water and 3,000 wastewater service connections
- Timely recovery of pipeline replacement through WICA and WRA
- Historic test year

**Maine Water**

- 33,800 service connections
- “Best in class” infrastructure replacement mechanism through WISC
- Historic test year

**Texas Water**

- >28,000 water and more than 1000 wastewater service connections
- Infrastructure replacement mechanism, fair market value and filed rate doctrine for acquisitions
- Historic test year

## Nonregulated

Texas Water Resources: subsidiary created to leverage acquisition of KT Water Resources

# California Updates

## 2025 - 2027 San Jose Water general rate case (GRC)

- Settlement agreement with Public Advocates Office filed on August 19, 2024
  - Constructive agreement provides for continued delivery of high-quality water service and realistic opportunity to earn our authorized return of equity (ROE)
    - \$450 million capital expenditure (CapEx) plan<sup>1</sup> over three years
    - \$53.1 million increase in revenue over three years
    - Provides greater revenue recovery through the service charge and further aligns authorized to actual usage through a lower sales forecast
    - Two policy items to be fully litigated
      - Chemical and waste disposal costs in the full cost balancing account and adjusting service charge calculation
- Decision expected in 4Q 2024 with new rates anticipated on January 1, 2025



### 2025 to 2027 GRC

Application filed with CPUC on January 2, 2024

Application requested the following over three years:

\$103 million revenue increase

\$540 million CapEx program to invest in:

- PFAS treatment
- Reducing greenhouse gas emissions
- CPUC's Environmental and Social Justice Action Plan

<sup>1</sup> Excludes advanced metering infrastructure project (AMI)

# California Updates

- Water Cost of Capital Mechanism (WCCM) adjustment effective January 1, 2024
  - Return on equity (ROE) increase of 70 basis points (bps) to 10.01%, less 20 bps for reauthorization of the Water Conservation Memorandum Account (WCMA), for a new ROE of 9.81%
  - Cost of debt of 5.28%
  - Authorized rate of return (ROR) of 7.75% reflects 9.81% ROE
- Cost of Capital filing deferment authorized by the CPUC
  - Filing deferred to May 1, 2025
  - Maintains ROE for 2025 subject to WCCM trigger
- Advanced Metering Infrastructure (AMI) installation 2024 - 2026
  - Approximately \$100 million project outside the GRC CapEx with \$27 million investment projected in 2024
  - Advice letter requesting rate base increase of \$4.8 million for plant additions and annualized revenue increase of \$768,000 approved effective July 1, 2024



## WCCM Adjustment

Change in Moody's Aa bond index of plus or minus 100 bps between October 1 and September 30 triggers WCCM adjustment

ROE is adjusted by 50% of the change when the trigger is reached

Cost of debt and ROR also adjusted



# Connecticut Updates

- WICA increase approved by the Connecticut Public Utilities Regulatory Authority (PURA) and effective October 1, 2024
  - Annualized revenue increase of \$4.2 million for \$41.9 million in completed projects
- Final Decision on GRC issued by PURA, effective July 1, 2024
  - Provides:
    - \$6.5 million annualized revenue increase with opportunity for additional
    - 9.3% return on equity (ROE) (prior ROE 9.0%)
    - 53% equity/47% debt capital structure (similar to the last GRC)
  - Mixed expense recovery:
    - \$3.9 million in unrecovered expenses
    - Opportunity to earn an additional \$1.1 million for executive compensation by meeting PURA performance metrics
  - Requested \$21.4 million, or 18.1%, annualized revenue increase and an ROE of 10.5% in October 2023



## Water Infrastructure and Conservation Adjustment (WICA)

WICA surcharge is 3.43% effective October 1, 2024

Application filed on July 26 requesting a 3.43% surcharge and approved on September 18, 2024

Annual cap on WICA: 5%

Cap between GRCs: 10%

# Maine Updates

- On January 5, 2024, the Maine Public Utilities Commission (MPUC) approved a stipulation agreement between Maine Water and the Office of the Public Advocate on the Biddeford-Saco Division rate application filed in March 2023
  - Provisions of the approved stipulation agreement:
    - Maine Water authorized revenues increased \$2.6 million effective January 1, 2024
    - ROE for future Water Infrastructure Charges (WISC) at 9.5% with an assumed 51% equity/49% debt capital structure
    - GRC stay out provision in the BSD through January 1, 2027
  - Application filed in March 2023 requested a \$2.9 million increase in annualized revenue, \$1.5 million in temporary rates authorized in August 2023



## Water Infrastructure Charge (WISC) filings<sup>1</sup>

Camden-Rockland Division  
\$158,000 approved, effective  
on March 22, 2024

Freeport and Oakland  
divisions combined \$52,000  
approved, effective on  
August 1, 2024

Millinocket Division  
application for \$46,000 filed  
on September 30, 2024

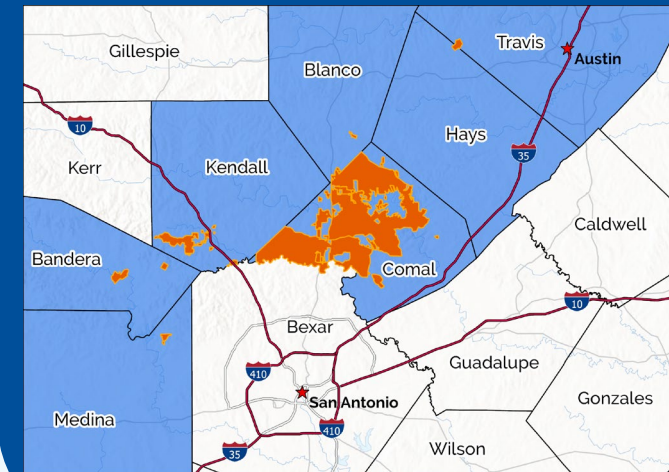
<sup>1</sup> filings are made to the MPUC for annualized revenue increases

# Texas Updates

- Strong developer interest in our service area
  - ~22,000<sup>1</sup> outstanding development units (potential connections)
- Serves three of the five fastest-growing counties in the U.S.<sup>2</sup>
  - >28,000 water connections and more than 1,000 wastewater connections, quadrupled since 2006
- Approval to close on 3009 water system ~270 customers
- System improvement charge (SIC)
  - SIC-2 application filed in September 2024 requesting approximately \$4.3 million in annualized revenue, decision expected by mid 2025
  - SIC-1 effective March 2024 approximately \$1.6 million annualized revenue increase
- Portions of service areas in moderate to severe drought
  - Water use restrictions in place in largest service areas

TEXAS WATER  
COMPANY

Texas had the highest population growth of any U.S. state in the 2020 Census. Texas Water serves the rapidly growing area in the Austin-San Antonio corridor



<sup>1</sup> Assumes a build-out of 10 years or longer

<sup>2</sup> Source: U.S. Census Bureau population growth in counties with a population of at least 10,000, 2010 - 2019



# Environmental, Social & Governance

# ESG Initiatives & Commitments

## ENVIRONMENTAL



- Dedicated Board Sustainability Committee
- Use and Protection of 14,000 Acres of Watershed Land
- Greenhouse Gas (GHG) Inventory Completed, with a Goal of 50% Reduction in Scope 1 and Scope 2 Emissions by 2030
- Water Loss Prevention and Advanced Leak Detection

## SOCIAL



- Customer Assistance Programs
- Supplier Diversity Program
- Active Environmental Health and Safety Committee
- Diversity, Equity and Inclusion Council
- CEO Pledge – CEO Action for Diversity and Inclusion
- Community Outreach and Support
- Employee Health and Safety Policy

## GOVERNANCE



- Human Rights Policy
- Employee Ethics, Conduct and Cybersecurity Training
- Anonymous Reporting Hotlines and Whistleblower Policy
- Vendor Code of Conduct

# Commitment to Sustainability

- Infrastructure investments reducing greenhouse gas emissions and operating expenses
  - Owned solar generation in California and Connecticut
    - 6,197 MWh/year by year-end 2024
    - Generating annual operating expense savings
  - Fleet electrification
- Estimated renewable energy in 2024:
  - San Jose Water 40% to 50%
  - Connecticut Water approximately 70%
  - Maine Water approximately 50%
  - Texas Water 100%



Solar generation at San Jose Water Company



# Social Responsibility

- **Affordability and Access:**
  - \$15.3 million secured in state funding for San Jose Water customers for COVID related financial hardship
  - Expanded eligibility for Connecticut Water's Water Rate Assistance Program for income-eligible customers
  - In 2023, SJW Group helped customers secure more than \$900,000 in federal assistance (LIHWAP) and offered rate assistance programs
- **Supplier Diversity:** In 2023, SJW Group's diverse spend was \$63 million, or 21% of addressable spend





# Governance and Oversight

## Board of Directors

Receives briefings from the board's Sustainability Committee at regular board meetings

## Sustainability Committee of the Board

Receives written reports and updates from management that include progress on metrics and updates from the ESG Council

## ESG Council

Comprised of state presidents, members of the SJW Group executive leadership team and individuals representing ESG initiatives within the organization who collaborate and report on ESG initiatives and targets

## Sustainability Team

Comprised of senior leaders from a cross-section of functional areas who meet regularly to discuss strategy and planning necessary to identify and achieve ESG goals

## Corporate Governance Policies

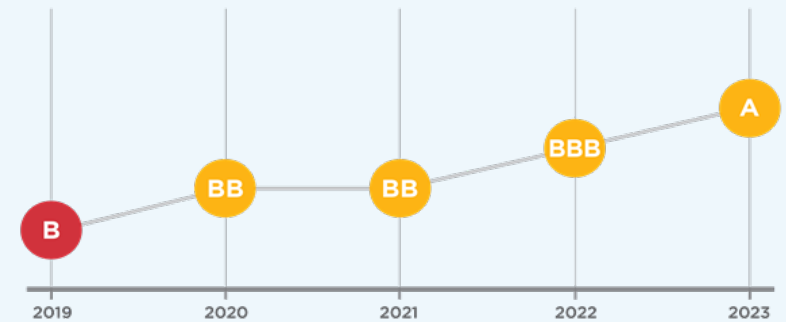
- Code of Conduct, including Whistleblower Policy
- Corporate Governance Policies
- Environmental Policy
- Health and Safety Policy
- Human Right to Water Policy
- Human Rights Policy
- Vendor Code of Conduct Policy

Available at [www.sjwgroup.com/investor-relations/corporate-charters-policies](http://www.sjwgroup.com/investor-relations/corporate-charters-policies)

# Force for Good

- Employee Safety
- USA Today Top Workplace USA 2024 (Connecticut)
- Gender Balanced Board<sup>1</sup>
  - Only 13% of the Russell 3000 have gender balanced boards
- Diverse Supplier Spend
- National Association of Clean Water Agencies' recognition for watershed stewardship in California
- MSCI Rating: 'A'
- Recognized as one of America's Greenest Companies 2025 by Newsweek
  - One of only two water utilities awarded

## MSCI ESG Rating History



MSCI report on SJW Group from September 2023



<sup>1</sup>As of June 30, 2024 according to 50/50 Women on Boards, [www.5050wob.com](http://www.5050wob.com)

# Key Financial Highlights & 2024 Guidance

# 2Q 2024 Financial Results (GAAP)

- Rate increases were the largest contributor to the increase in revenue
- Each utility contributed to the revenue increase through one or more means, including infrastructure recovery, step changes and customer growth
- Higher water production expenses from increased average costs and higher usage

IN MILLIONS except for earnings per share (EPS)	2Q 2024		2Q 2023	CHANGE
Revenue	\$176.2	↑	\$156.9	12% increase
Net Income	\$20.7	↑	\$18.3	13% increase
Diluted EPS	\$0.64	↑	\$0.58	10% increase



# 2Q 2024 Financial Results (non-GAAP)

- 2Q real estate transactions that netted a \$0.9 million pre-tax loss have been excluded from non-GAAP results

IN MILLIONS except for earnings per share (EPS)	2Q 2024		2Q 2023	CHANGE
Revenue	\$176.2	↑	\$156.9	12% increase
Adjusted Net Income <sup>1</sup>	\$21.3	↑	\$18.3	17% increase
Adjusted Diluted EPS <sup>1</sup>	\$0.66	↑	\$0.58	14% increase

<sup>1</sup> See Appendix for SJW Group's disclosures for non-GAAP financial measures.

# YTD 2024 Financial Results (GAAP)

- Rate increases were the largest contributor to the increase in revenue
- Each utility contributed to the revenue increase through one or more means, including infrastructure recovery, step changes and customer growth
- Higher water production expenses from increased average costs and higher usage

IN MILLIONS except for earnings per share (EPS)	2Q 2024		2Q 2023	CHANGE
Revenue	\$325.6	↑	\$294.2	11% increase
Net Income	\$32.4	↑	\$29.8	9% increase
Diluted EPS	\$1.00	↑	\$0.95	5% increase

# YTD 2024 Financial Results (Non-GAAP)

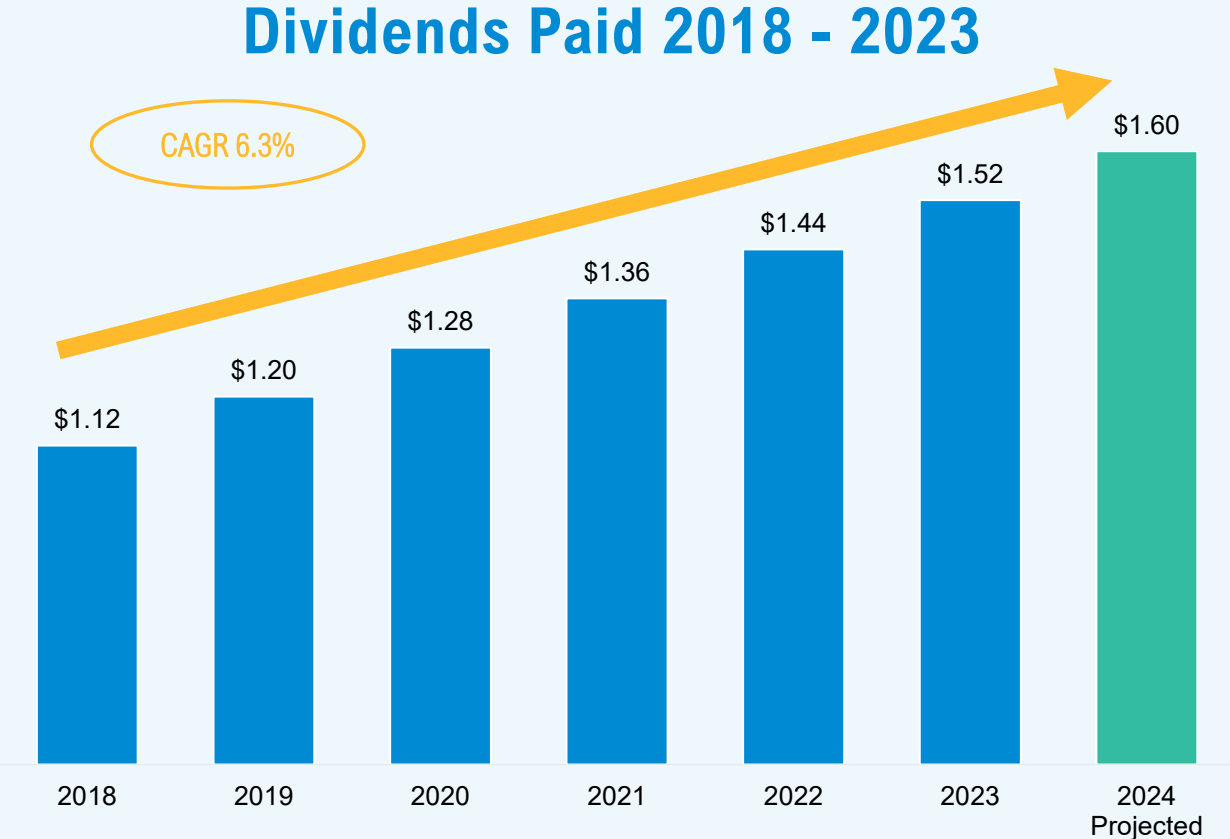
- 2Q 2024 real estate transactions that netted a \$0.9 million pre-tax loss have been excluded in non-GAAP results

IN MILLIONS except for earnings per share (EPS)	2Q 2024		2Q 2023	CHANGE
Revenue	\$325.6	↑	\$294.2	11% increase
Adjusted Net Income <sup>1</sup>	\$33.0	↑	\$28.8	15% increase
Adjusted Diluted EPS <sup>1</sup>	\$1.02	↑	\$0.92	11% increase

<sup>1</sup> See Appendix for SJW Group's disclosures for non-GAAP financial measures.

# Stable and Consistent Dividend Growth

- 5.3% increase in annual dividend over 2023
- \$1.60 per share (annual)
- Dividends paid continuously for more than 80 years
- Annual dividend increase for 56 consecutive years

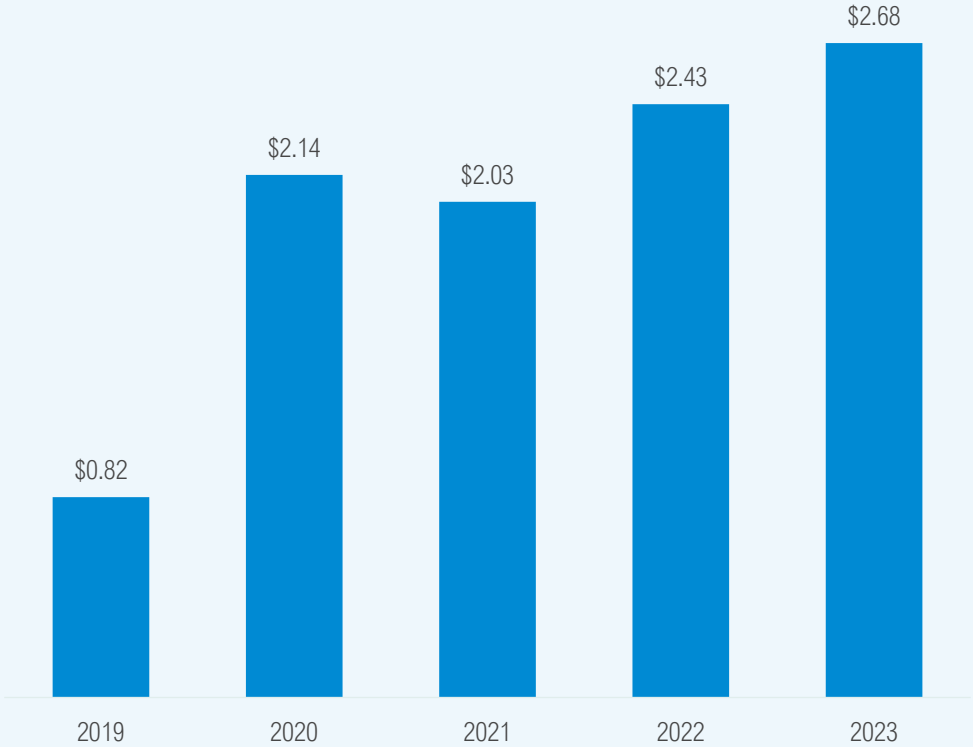


6% CAGR is for the period from 2018 to 2023

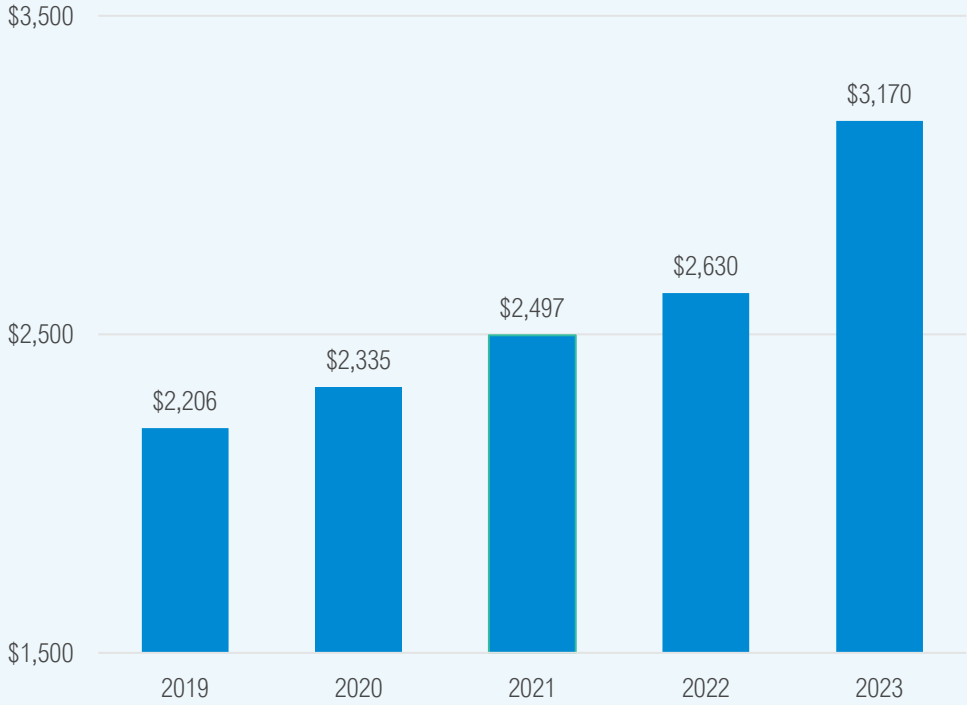


# Earnings per Share and Net Utility Plant

### 2019 – 2023 Diluted EPS<sup>1</sup>



### Net Utility Plant in millions



<sup>1</sup>EPS = earnings per share  
Source: Company filings, investor presentations

# 2024 Guidance

2024 Guidance <sup>1</sup>	
Diluted EPS (GAAP)	\$2.66 - \$2.76
Adjusted Diluted EPS (non-GAAP)	\$2.68 - \$2.78
Equity issuance, excluding acquisition growth	\$55M - \$65M
Five-Year CapEx	\$1.6B <sup>2</sup>

**2024 Adjusted  
EPS Forecast  
(non-GAAP)<sup>3</sup>  
\$2.68 - \$2.78**

- **Factors underlying 2024 guidance:**
  - ROE increase in California from 9.31% to 9.81% (net of a 20 bps reduction for reimplementation of the Water Conservation Memorandum Account (WCMA)) effective January 1, 2024
  - The impact of the completed Biddeford-Saco rate case with a 9.5% ROE and 51% equity/49% debt capital structure effective January 1, 2024
  - Constructive regulatory decisions on current and prospective regulatory filings
  - Strategic reinvestments in the business in 2024
  - 2024 guidance is independent of real estate sales or M&A activities
- **Long-term growth rate: 5% - 7%**
  - Nonlinear and anchored off of 2022 diluted EPS of \$2.43

<sup>1</sup> SJW Group's earnings guidance is subject to numerous risks and uncertainties, including, without limitation, those factors described in the "Forward-Looking Statements" on slide 3 and the "Risk Factors" section of the company's annual and quarterly reports filed with the Securities and Exchange Commission.

<sup>2</sup> Five-year CapEx includes approximately \$230 million for PFAS treatment.

<sup>3</sup> See Appendix for SJW Group's reconciliations and disclosures for non-GAAP financial measures.

# Management & Board of Directors

# Leadership Team

Experienced, Record of Execution, Regional Focus and Dedication  
Leveraged expertise across the multistate platform with a commitment to local communities

**Eric W. Thornburg**  
Chairman, President and  
Chief Executive Officer  
*42 years of water utility experience*



**Andrew Walters**  
Chief Financial Officer and Treasurer  
*23 years of utility experience*



**Kristen Johnson**  
Senior Vice President and Chief  
Administrative Officer  
*17 years of water utility experience*



**Bruce Hauk**  
Chief Operating Officer  
of SJW Group  
*28 years of water utility experience*



**Willie Brown**  
Vice President, General Counsel  
*15 years of water utility experience*



**Craig Patla**  
President of  
New England Region  
*34 years of water utility experience*



**Tanya Moniz-Witten**  
President of San Jose Water Company  
*21 years of utility experience*





# Board of Directors

**Eric Thornburg**

Chairman

Director Since 2017



**Carl Guardino**

Director Since 2020

Committees:  
Nominating and Governance  
Sustainability



**Mary Ann Hanley**

Director Since 2019

Committees:  
Audit  
Nominating and Governance  
Sustainability



**Heather Hunt**

Director Since 2019

Committees:  
Executive Compensation  
Nominating and Governance  
(Chair)



**Rebecca A. Klein**

Director Since 2021

Committees:  
Executive Compensation  
Finance  
Sustainability



**Denise L. Kruger**

Director Since 2023

Audit  
Sustainability



**Gregory P. Landis**  
Lead Independent Director

Director Since 2016

Committees:  
Executive Compensation (Chair)  
Finance  
Nominating and Governance



**Daniel B. More**

Director Since 2015

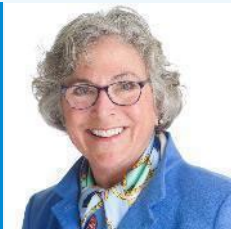
Committees:  
Audit (Chair)  
Executive Compensation  
Finance (Chair)



**Carol P. Wallace**

Director Since 2019

Committees:  
Audit  
Finance  
Sustainability (Chair)



# Forward-Looking Statements

## Safe Harbor

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Some of these forward-looking statements can be identified by the use of forward-looking words such as “believes,” “expects,” “estimates,” “anticipates,” “intends,” “seeks,” “plans,” “projects,” “may,” “should,” “will,” or the negative of those words or other comparable terminology. These forward looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict.

These forward-looking statements involve a number of risks, uncertainties and assumptions including, but not limited to, the following factors: (1) the effect of water, utility, environmental and other governmental policies and regulations, including regulatory actions concerning rates, authorized return on equity, authorized capital structures, capital expenditures, PFAS and other decisions; (2) changes in demand for water and other services; (3) unanticipated weather conditions and changes in seasonality including those affecting water supply and customer usage; (4) the effect of the impact of climate change; (5) unexpected costs, charges or expenses; (6) our ability to successfully evaluate investments in new business and growth initiatives; (7) contamination of our water supplies and damage or failure of our water equipment and infrastructure; (8) the risk of work stoppages, strikes and other labor-related actions;

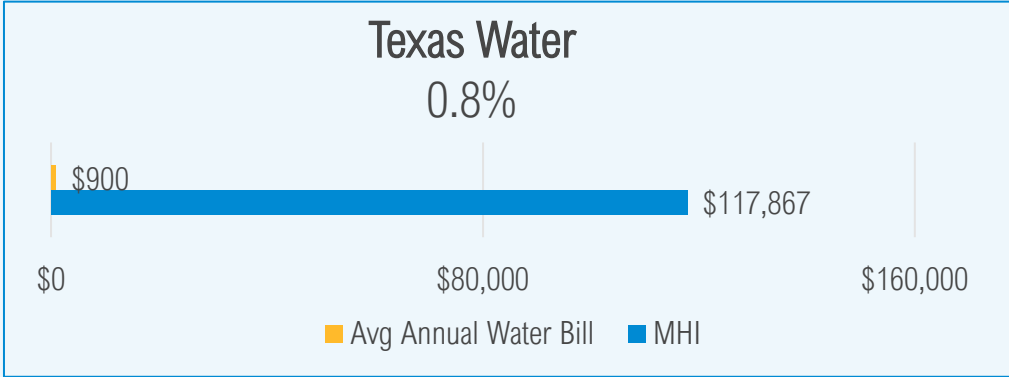
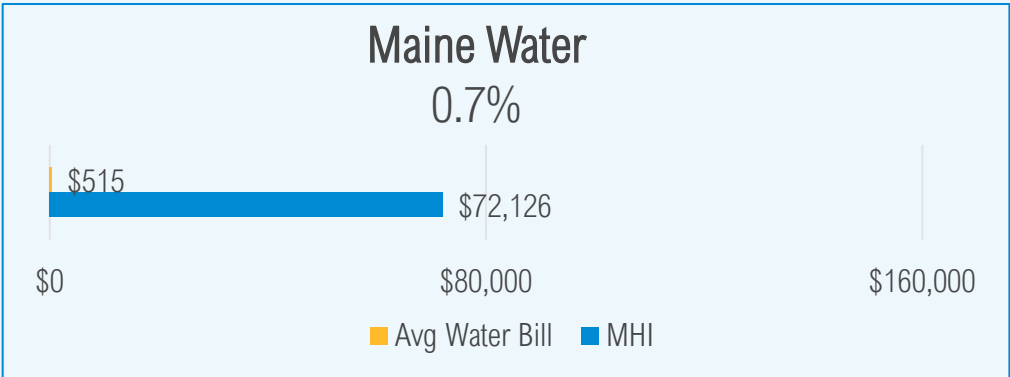
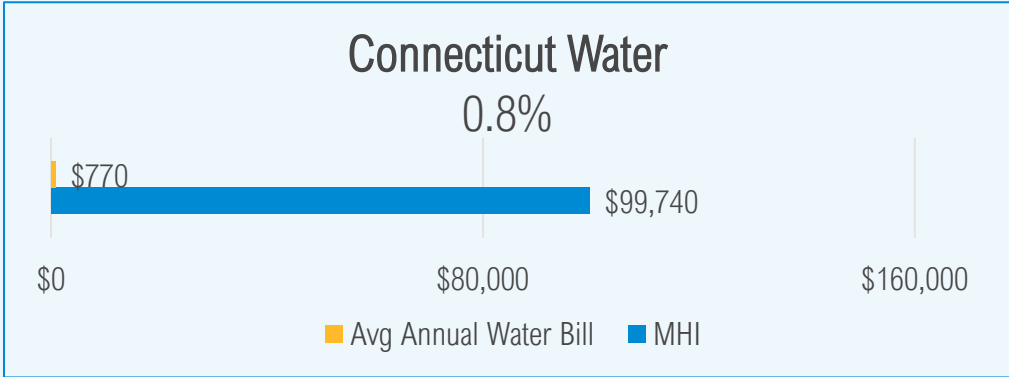
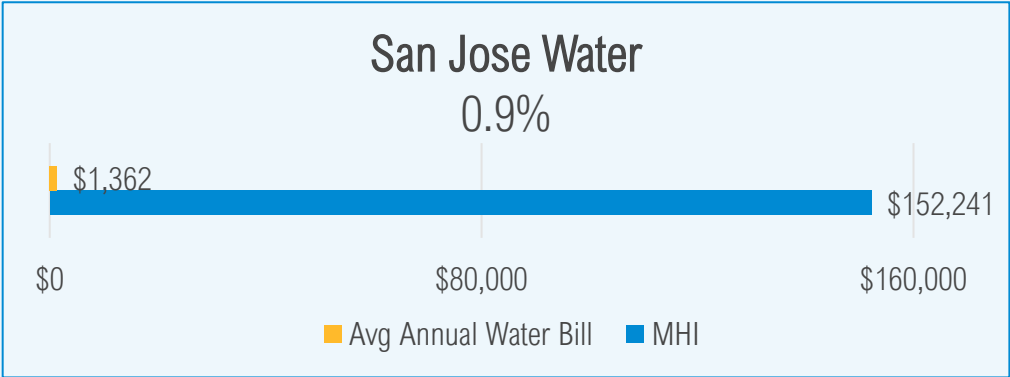
(9) catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, hurricanes, terrorist acts, physical attacks, cyber-attacks, epidemic, or similar occurrences; (10) changes in general economic, political, business and financial market conditions; (11) the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, changes in interest rates, compliance with regulatory requirements, compliance with the terms and conditions of our outstanding indebtedness, and general market and economic conditions; and (12) legislative, and general market and economic developments. The risks, uncertainties and other factors may cause the actual results, performance or achievements of SJW Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Results for a quarter are not indicative of results for a full year due to seasonality and other factors. Other factors that may cause actual results, performance or achievements to materially differ are described in SJW Group’s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. Forward-looking statements are not guarantees of performance, and speak only as of the date made. SJW Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

# Appendix

# Customer Bills

Customer bills as a percentage of median household income<sup>1</sup>



<sup>1</sup>as of 12/31/23

MHI = 2022 US Census weighted average of median household income for zip codes served based on data available through ESRI

Bill data is based on actual average residential customer usage for the year 2022 at December 2023 rates in the largest division/service area

# Audited GHG Emissions 2019 - 2022<sup>1</sup>

Metric	SJW Group GHG Emissions (MTCO <sub>2</sub> e)															
	SJW				TWC				MWC				CWC			
	2022	2021	2020	2019	2022	2021	2020	2019	2022	2021	2020	2019	2022	2021	2020	2019
Scope 1	1,235	1,055	966	1,252	906	760	664	1,083	962	796	755	838	2,223	2,246	2,400	2,574
Scope 2	2,317	2,443	2,403	1,718	569	4,216	2,887	3,275	436	113	120	115	3,451	3,980	3,804	4,342
Scope 3	1,978	1,637	1,628	1,500	519	609	463	314	1,054	253	238	242	2,266	2,105	2,128	1,952
<b>Total GHG</b>	<b>5,530</b>	<b>5,135</b>	<b>4,997</b>	<b>4,470</b>	<b>1,994</b>	<b>5,585</b>	<b>4,015</b>	<b>4,671</b>	<b>2,452</b>	<b>1,162</b>	<b>1,104</b>	<b>1,195</b>	<b>7,940</b>	<b>8,331</b>	<b>8,331</b>	<b>8,869</b>

Note: Cells in red represent an emissions increase vs. 2019 figures, while 2021 and 2020 cells shaded green represent an emissions decrease vs. 2019 figures.

## • Abbreviations

- CWC = Connecticut Water
- SJW = San Jose Water
- MWC = Maine Water
- TWC = Texas Water

SJW Group GHG Emissions (MTCO <sub>2</sub> e)				
Metric	2022	2021	2020	2019
Scope 1	5,326	4,856	4,786	5,748
Scope 2	6,773	10,753	9,215	9,449
Scope 3	5,817	4,604	4,456	4,008
<b>Total GHG</b>	<b>17,916</b>	<b>20,213</b>	<b>18,447</b>	<b>19,205</b>

<sup>1</sup> 2021 and 2022 GHG data audited by Ruby Canyon Environmental, an ANSI National Accreditation Board accredited organization under ISO 14066.



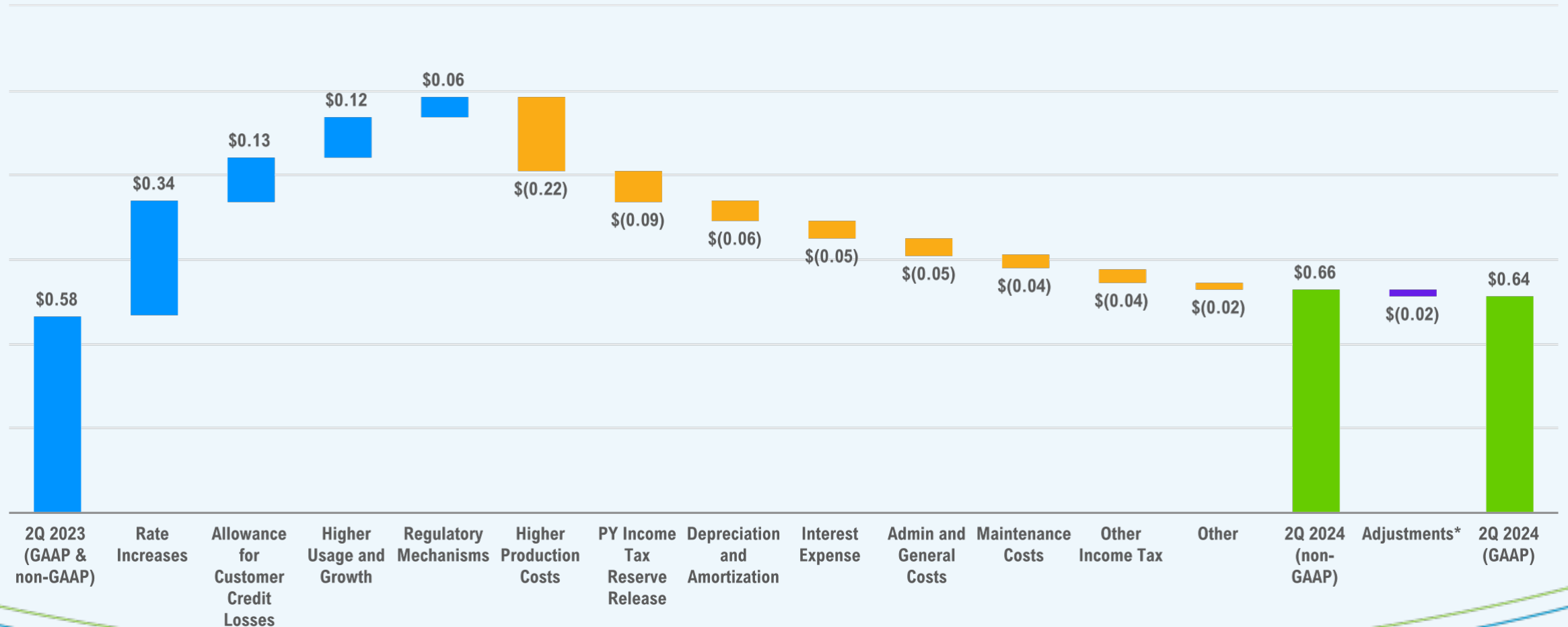
# PFAS Update

- Support U.S. EPA's standards for PFAS in drinking water
- Will comply with the new regulations within the time frame specified by the EPA
- \$230 million CapEx estimate for treatment
- Party to class action settlements with PFAS manufacturers



# 2Q 2024 Diluted EPS Bridge

Change in EPS (\$): Q2 2024 - Q2 2023



\*See Appendix for SJW Group's reconciliations and disclosures for non-GAAP financial measures.

# YTD 2024 Diluted EPS Bridge

Change in EPS (\$): YTD 2024 - YTD 2023



\*See Appendix for SJW Group's reconciliations and disclosures for non-GAAP financial measures.

# Non-GAAP Financial Measures

SJW Group's net income and diluted EPS are prepared in accordance with GAAP and represent the earnings as reported to the Securities and Exchange Commission. Adjusted net income and Adjusted diluted EPS are non-GAAP measures representing GAAP earnings adjusted to exclude the effects of real estate transactions and costs associated with mergers and acquisition activities, if any, which management believes are not representative of our core business activities. These non-GAAP financial measures are provided as additional information for investors to evaluate the performance of SJW Group's ongoing business activities. SJW Group uses adjusted net income and/or adjusted diluted EPS as the primary performance measurements when communicating with analysts and investors regarding our outlook and results. Adjusted net income and Adjusted diluted EPS are also used internally to measure performance. However, these non-GAAP financial measures may be different from non-GAAP financial measures used by other companies, even when the same or similarly titled terms are used to identify such measures, limiting their usefulness for comparative purposes. Further, these non-GAAP financial measures should be considered as a supplement to the financial information prepared on a GAAP basis rather than an alternative to the respective GAAP financial measures.

# Reconciliation of Non-GAAP Financial Measures

	<u>2024 Earnings Guidance</u>	
Estimated Diluted EPS Guidance on a GAAP Basis	\$ 2.66	to 2.76
Adjustments:		
Loss on sale of real estate investments, net of tax	<u>0.02</u>	<u>0.02</u>
Adjusted EPS Guidance (non-GAAP)	<u>\$ 2.68</u>	<u>to 2.78</u>

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Reported GAAP Net Income	\$ 20,696	18,286	32,395	29,816
Adjustments:				
Loss (gain) on sale of real estate investments <sup>1</sup>	909	—	909	(1,473)
Tax effect of above adjustment <sup>2</sup>	(291)	—	(291)	412
Adjusted Net Income (non-GAAP)	<u>\$ 21,314</u>	<u>18,286</u>	<u>33,013</u>	<u>28,755</u>
Reported GAAP Diluted Earnings Per Share	\$ 0.64	0.58	1.00	0.95
Adjustments:				
Loss (gain) on sale of real estate investments, net of tax	0.02	—	0.02	(0.03)
Adjusted Diluted Earnings Per Share (non-GAAP)	<u>\$ 0.66</u>	<u>0.58</u>	<u>1.02</u>	<u>0.92</u>

<sup>1</sup> Included in the "Other, net" line on the condensed consolidated statements of comprehensive income.

<sup>2</sup> The tax effect on all adjustments is calculated at the applicable statutory rate.



# Key Statistics by State

As of December 31, 2023	California	Connecticut <sup>1</sup>	Maine <sup>2</sup>	Texas
<b>Capital Structure and Authorized ROE</b>				
Authorized capital structure (debt/equity)	45% / 55%	47% / 53%	50% / 50%	42% / 58% <sup>3</sup>
Authorized ROE	9.31% <sup>3</sup>	9.00%	9.70%	10.88% <sup>2</sup>
<b>Rate Base</b>				
Authorized rate base (in millions)	\$1,114	\$620	\$135	\$43 <sup>3</sup>
Estimated rate base at year-end (in millions) <sup>5</sup>	\$1,136	\$731	\$172	\$107 <sup>3</sup>
<b>Connections</b>				
Water connections	232,400	107,700	33,800	28,000
Wastewater connections	0	3,000	0	950
<b>Total Connections</b>	<b>232,400</b>	<b>110,700</b>	<b>33,800</b>	<b>28,950</b>

<sup>1</sup> Effective July 1, 2024, Connecticut Water's authorized ROE is 9.3% on a 47%/53% debt/equity capital structure with an authorized rate base of \$702M.

<sup>2</sup> Authorized capital structure and ROE for Maine Water's largest division, the Biddeford and Saco (B-S) division. Effective January 1, 2024, the B-S division's authorized ROE is 9.5% and its authorized capital structure is 49% debt and 51% equity.

<sup>3</sup> Estimated

<sup>4</sup> Approved WCCM-adjusted return on equity is 10.01% starting January 1, 2024. A 20 basis point reduction due to the use of the WCMA is not included.

<sup>5</sup> An approximation of rate base that includes net utility plant not yet included in rate base pending rate case filings and outcomes

# 2023/24 Regulatory Filings Pending and Approved

State	Docket #	Type*	Filing Date	Order Date	Status	Revenue Requested (annualized)	Revenue Approved (annualized)	Comments
CA	Advice Letter 601	WCCM	10/13/23	11/14/23	Effective 01/01/24			WCCM trigger adjusting ROR for 2024
CA	Advice Letter 603	Group Insurance Balancing Account	11/14/23	12/28/23	Effective 01/01/24			
CA	Advice Letter 605		Step Rate Increase	11/21/23	12/28/23	Effective 01/01/24	\$21.3M	\$21.3
CA		Request for One-Year Deferment of COC Filing	12/15/23	02/02/24	Approved			Next COC filing due 05/1/25 Maintains WCCM for 2025
CA	24-01-001	GRC	01/02/24		Settlement Agreement filed with CPUC on 08/19/24			GRC for 2025, 2026 and 2027 rates
CA	Advice Letter 610	AMI Rate Base Offset	05/23/24	06/21/24	Approved	\$768K	\$768K	Effective 07/01/24
CT	23-08-32	GRC	10/03/23	06/28/24	Final Decision Issued	\$21.4M	\$6.5M	Additional \$1.1M in revenue if performance metrics met
CT	23-08-32WI01	WICA	07/26/24	09/18/24	Approved	\$4.2M	\$4.2M	\$41.9M in completed WICA eligible projects, surcharge = 3.43%
ME	2023-00065	GRC Biddeford-Saco 3	03/31/23	01/05/24	Approved	\$2.9M	\$2.6M	Effective 01/01/24
ME	2023-00163	WISC Camden-Rockland	06/23/23	03/22/24	Approved	\$158K	\$158K	Effective 03/22/24
ME	2024-00140	WISC Freeport	06/24/24		Approved	\$27K	\$27K	Effective 08/01/24
ME	2024-00141	WISC Oakland	06/24/24	08/01/24	Approved	\$25K	\$25K	Effective 08/01/24
ME	2024-00276	WISC Millinocket	09/30/24		Filed	\$46K		
TX	54430	System Improvement Charge	12/30/22	03/21/24	Effective 03/21/24	\$1.6M	\$1.6M	Water revenues = \$1.57M Wastewater revenues = \$28K
TX	56106	Acquisition - 3009	01/05/24		PUCT approval to close, not yet closed			~270 connections; filed rate doctrine and FMV
TX	56974	System Improvement Charge	09/12/24		Filed	\$4.3M		Recovery of eligible capital investments since 1/1/20

\* GRC = General Rate Case; WCCM = Water Cost of Capital Mechanism; COC = Cost of Capital; ROR = Return on Return; WISC = Water Infrastructure Surcharge; FMV = Fair Market Value