



Financial Results Presentation
Third Quarter 2024

SJW Group

On Today's Call



Eric W. Thornburg
Chair, President
and CEO



Andrew Walters
Chief Financial Officer
and Treasurer

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.

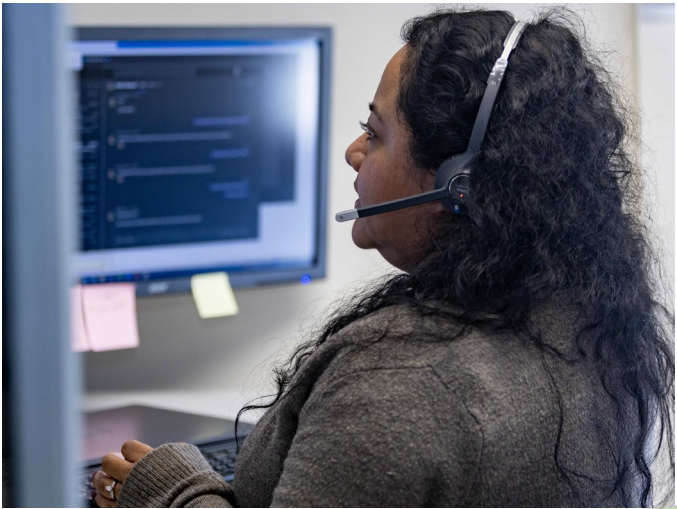
Results for a quarter are not indicative of results for a full year due to seasonality and other factors. In addition, actual results, performance or achievements are subject to other risks and uncertainties that relate more broadly to our overall business, including those more fully described in our filings with the SEC, including our most recent reports on Form 10-K, Form 10-Q and Form 8-K. Forward-looking statements are not guarantees of future performance, and speak only as of the date made, and SJW Group undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Delivered on Our Earnings Growth Strategy in 3Q

- **Regulatory Progress**
 - Settlement agreement negotiated with the Public Advocates Office in California general rate case filed with CPUC
 - Infrastructure recovery mechanism (IRM) filed in Texas, and IRM surcharges approved in Connecticut and Maine
- **Capital Expenditure (CapEx)**
 - \$252 million invested year to date, or approximately 76% of \$332 million budgeted in 2024
- **A Force for Good**
 - San Jose Water receives grant through Grid Resilience and Innovation Partnerships program
 - SJW Group named one of America's Greenest Companies 2025
 - Connecticut Water honored as Top Workplace for fourth consecutive year
- **Created Shareholder Value**
 - \$1.17 per diluted share (GAAP) in 3Q or \$1.18 per adjusted diluted share (non-GAAP)¹

¹ See Appendix for SJW Group's disclosures for non-GAAP financial measures.

Meeting the Challenges Ahead



3Q 2024 Financial Results (GAAP)

- Rate increases in California and Connecticut service areas were the largest contributors to the increase in revenue, including pass-through water costs
- Higher water production expenses from increased average costs

IN MILLIONS except for earnings per share (EPS)	3Q 2024		3Q 2023	CHANGE
Revenue	\$225.1	↑	\$204.8	10% increase
Net Income	\$38.7	↑	\$36.2	7% increase
Diluted EPS	\$1.17	↑	\$1.13	4% increase

3Q 2024 Financial Results (Non-GAAP)

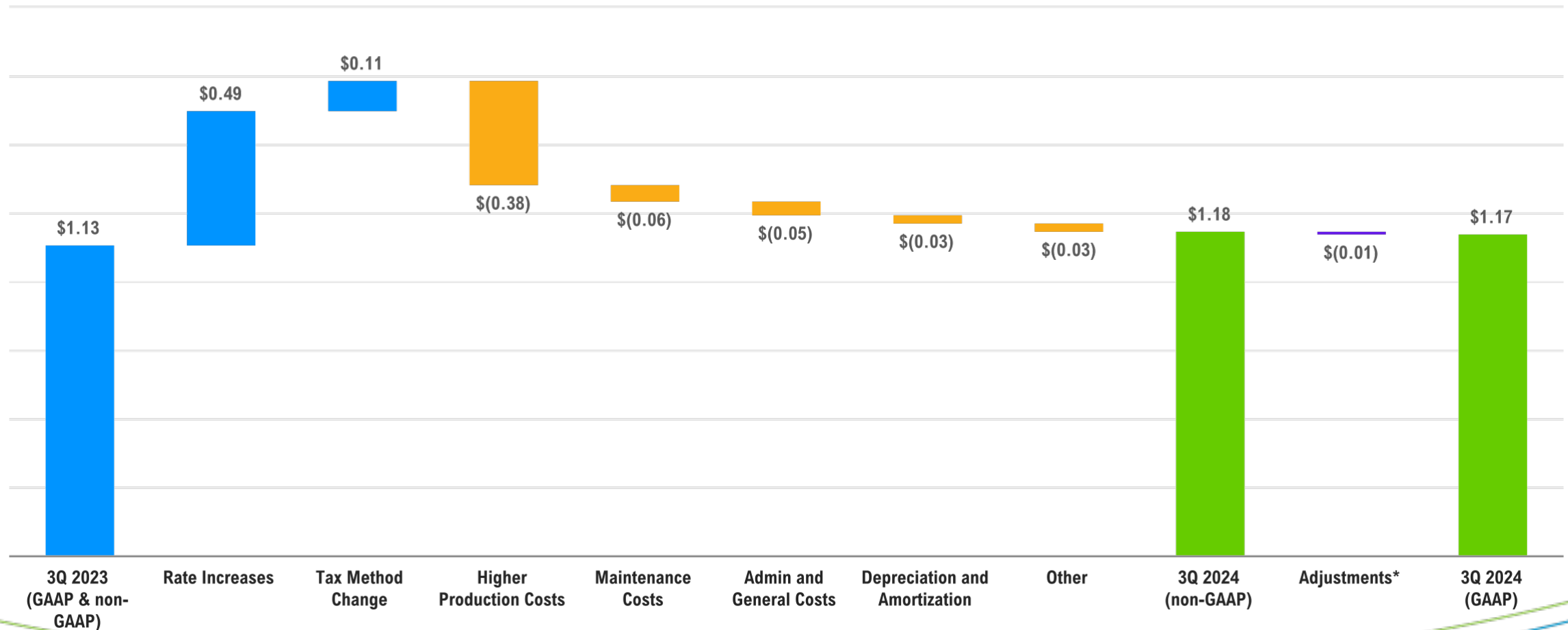
- 3Q merger and acquisition expenses and real estate transactions that netted a \$0.3 million after-tax loss have been excluded from non-GAAP results

IN MILLIONS except for earnings per share (EPS)	3Q 2024		3Q 2023	CHANGE
Revenue	\$225.1	↑	\$204.8	10% increase
Adjusted Net Income ¹	\$39.0	↑	\$36.2	8% increase
Adjusted Diluted EPS ¹	\$1.18	↑	\$1.13	4% increase

¹ See Appendix for SJW Group's disclosures for non-GAAP financial measures.

3Q 2024 Diluted EPS Bridge

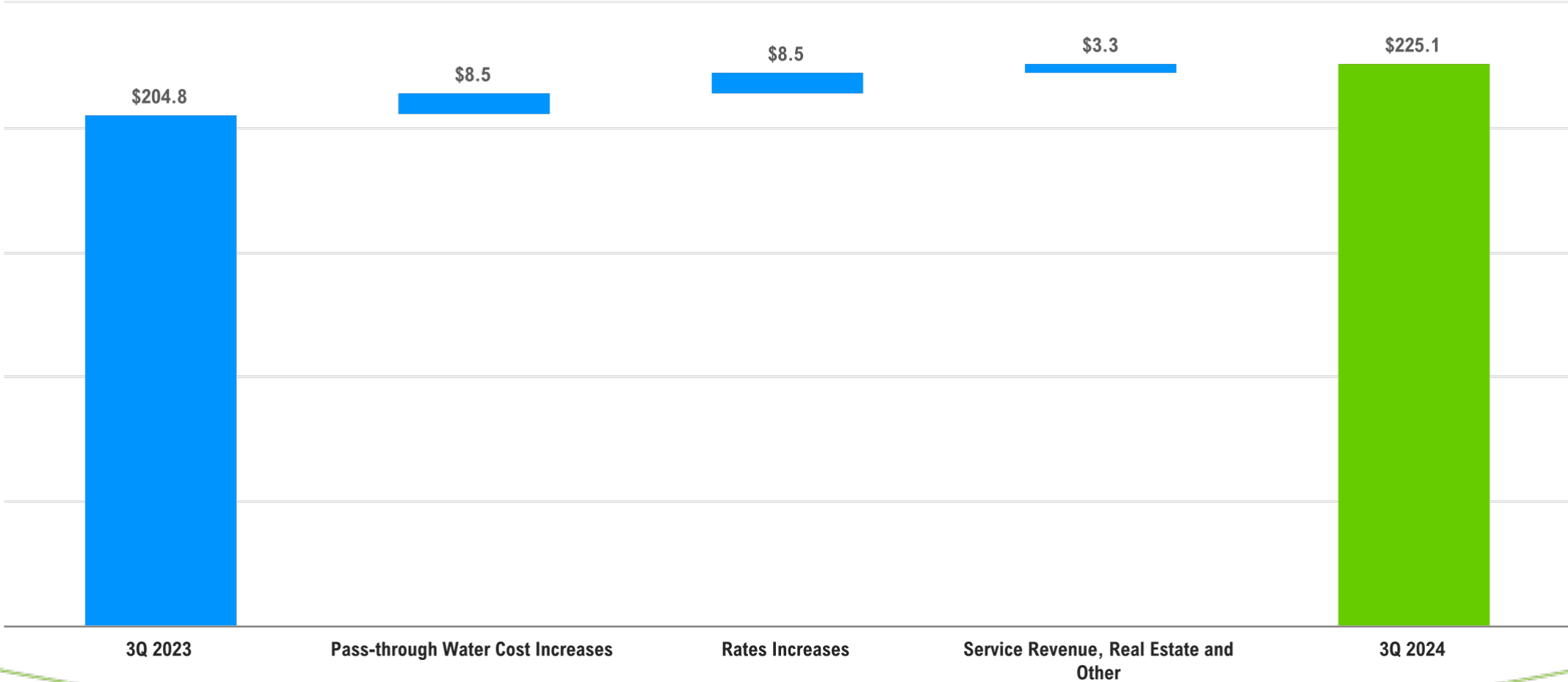
Change in EPS (\$): Q3 2024 - Q3 2023



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

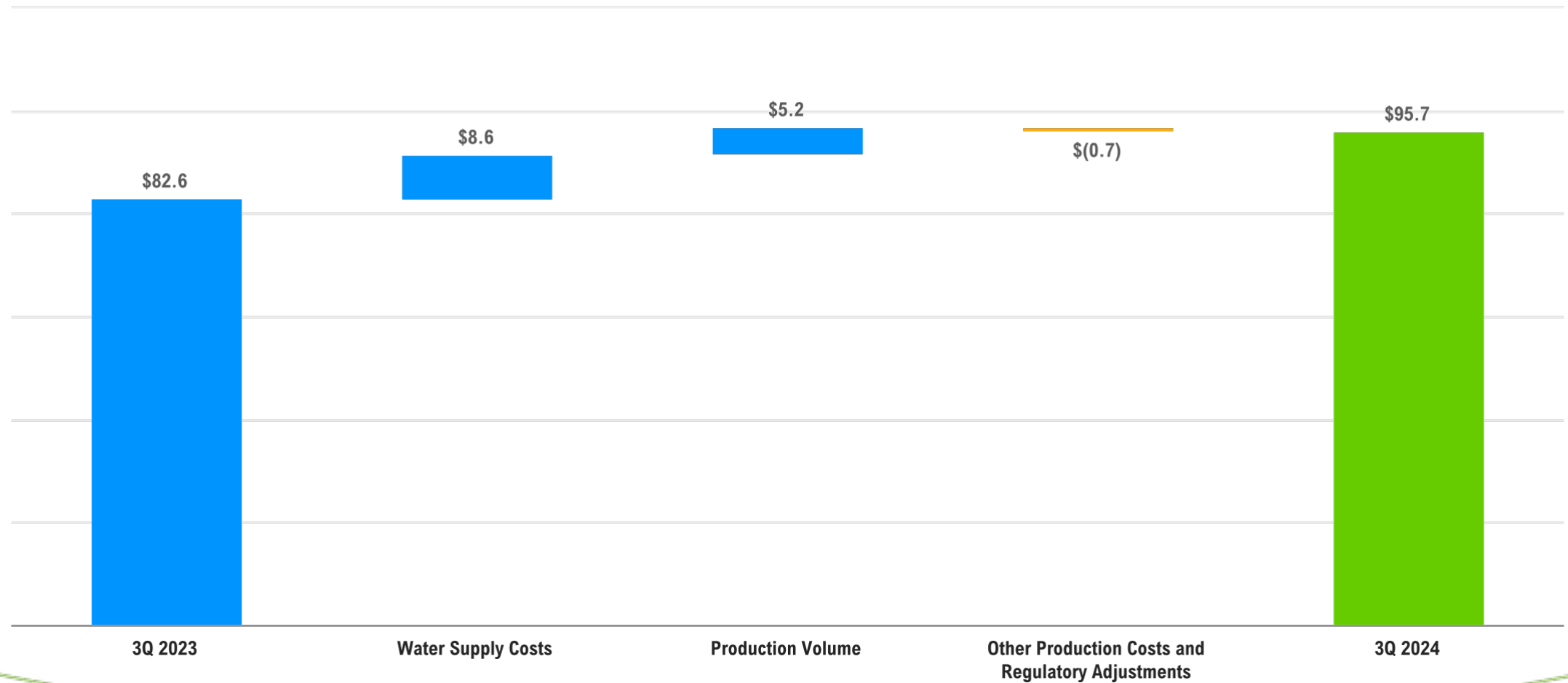
Revenue Increased by 10% Compared to 3Q 2023

Change in Revenue (\$M): Q3 2024 - Q3 2023



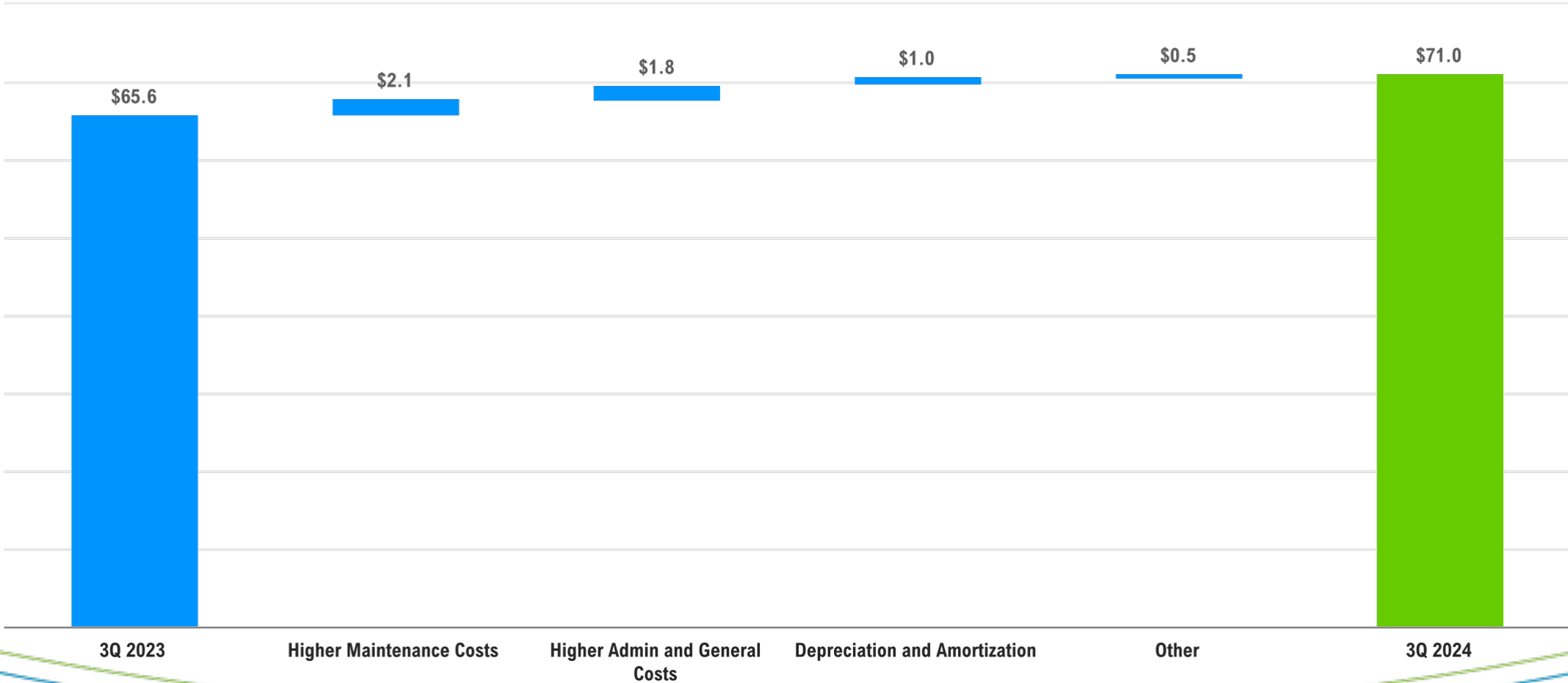
Water Production Expenses Increased 16% From 3Q 2023

Change in Water Production Expenses (\$M): Q3 2024 - Q3 2023



Other Operating Expenses Increased 8% From 3Q 2023

Change in Other Operating Expenses (\$M): Q3 2024 - Q3 2023



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 and customer growth
- Higher water production expenses from increased average costs and higher usage

IN MILLIONS except for earnings per share (EPS)	YTD 2024		YTD 2023	CHANGE
Revenue	\$550.6	↑	\$499.0	10% increase
Net Income	\$71.0	↑	\$66.0	8% increase
Diluted EPS	\$2.18	↑	\$2.09	4% increase

YTD 2024 Financial Results (Non-GAAP)

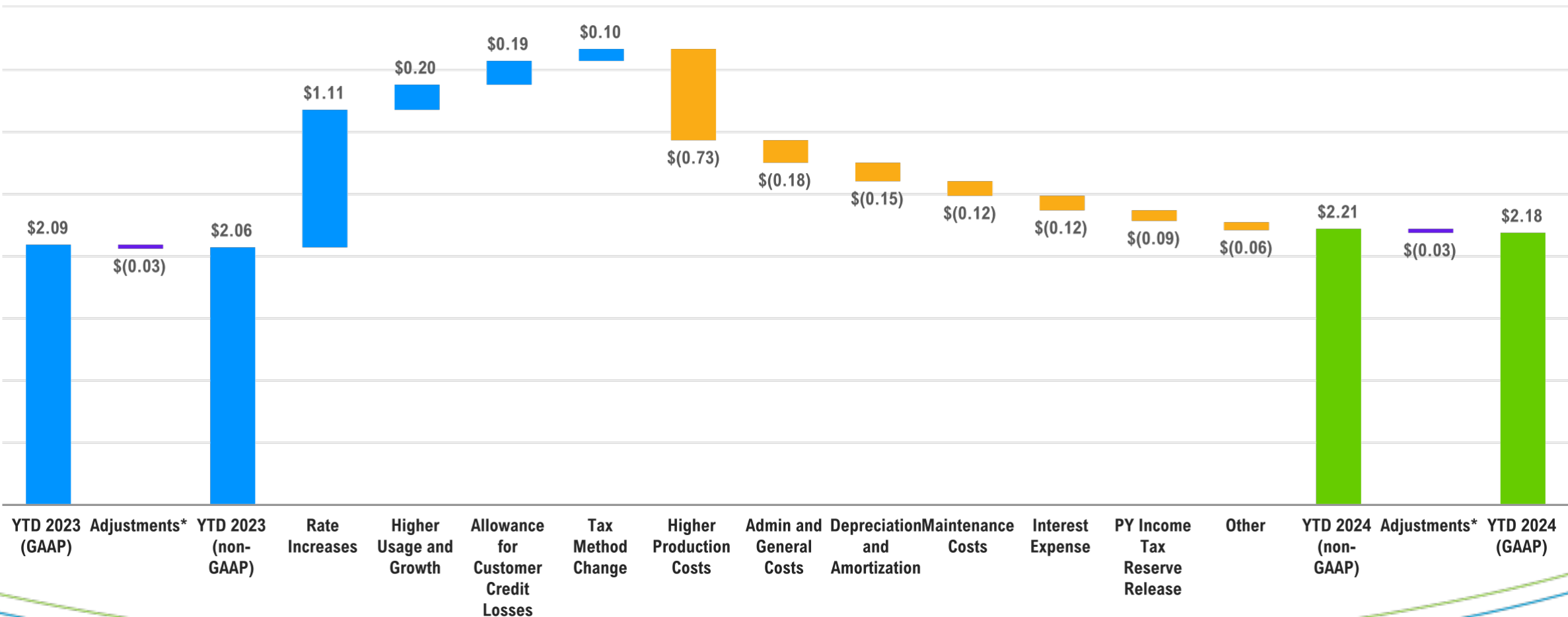
- 2024 real estate transactions and merger and acquisition expenses that netted a \$0.9 million after-tax loss have been excluded in non-GAAP results

IN MILLIONS except for earnings per share (EPS)	YTD 2024		YTD 2023	CHANGE
Revenue	\$550.6	↑	\$499.0	10% increase
Adjusted Net Income ¹	\$72.0	↑	\$65.0	11% increase
Adjusted Diluted EPS ¹	\$2.21	↑	\$2.06	7% increase

¹ See Appendix for SJW Group's 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.

3Q 2024 Financing Activity and Income Tax Rate

- Approximately \$65 million in gross equity proceeds raised at the market year to date
- \$350 million bank lines of credit, \$93 million drawn, leaving \$257 million available
 - \$125 million raised in 3Q through long-term debt offerings to pay down line of credit
 - \$75 million in California and \$50 million in Connecticut
 - Additional \$35 million in long-term debt to be raised in 2024
- 6.53% average borrowing rate on credit advances in 3Q 2024 YTD, 6.16% in 3Q 2023 YTD
- Effective income tax rate 5% in 3Q 2024, 11% in 3Q 2023



California Updates

2025 – 2027 San Jose Water General Rate Case (GRC)

- Settlement agreement negotiated with Public Advocates Office filed on August 19, 2024
 - Two policy items to be fully litigated
- Constructive agreement provides for continued delivery of high-quality water service and realistic opportunity to earn our authorized return of equity
 - \$450 million capital expenditure (CapEx) plan¹ over three years
 - Greater revenue recovery through the service charge, and further aligns authorized with actual usage through a lower sales forecast
 - \$53.1 million increase in revenue over three years
- 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

¹ Excludes advanced metering infrastructure project (AMI)

California Updates

Cupertino Agreement

- New 12-year agreement with the City of Cupertino effective on October 1, 2024, can be extended eight years
- Replaces previous agreement

Advanced Metering Infrastructure (AMI) Installation

- Approximately \$100 million project outside the GRC CapEx, with \$27 million investment projected in 2024
- Advice letter 610/610A requesting approximately \$4.8 million increase in rate base for plant additions and annualized revenue increase of \$768,000 approved effective July 1, 2024



AMI Benefits

Customer

Near real-time water usage information

Earlier identification of water leaks
Fewer unexpected high bills

Environmental

Less electricity wasted on undetected water leaks
Fewer service appointments and miles driven for high-bill investigations

Connecticut Updates

Water Infrastructure and Conservation Adjustment (WICA)

- WICA increase approved by the Connecticut Public Utilities Regulatory Authority (PURA) and effective October 1, 2024
 - Annualized revenue increase of \$4.3 million for \$41.9 million in completed projects

General Rate Case Decision

- Final decision issued by PURA, effective July 1, 2024
 - \$6.5 million annualized revenue increase with opportunity for additional \$1.1 million for meeting performance metrics
 - 9.3% return on equity (ROE) (prior ROE 9.0%)
 - 53% equity/47% debt capital structure (similar to the last GRC)



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

General Rate Case

- On October 25, 2024, GRC application filed for Camden/Rockland Division requesting a revenue increase of approximately \$1.1 million, or 15.9%
 - Decision expected in 2Q 2025

Water Infrastructure Charge (WISC)

- On September 30, 2024, application filed requesting \$46,000 in increased annual revenue
 - Decision expected in 4Q 2024
- On August 1, 2024, increase effective in two divisions for annualized revenue of \$52,000



Consolidation of Rate Tariffs

Plan to petition the Maine Public Utilities Commission regarding consolidation of rate tariffs by year-end

Maine Water currently has 10 different rate jurisdictions

Texas Updates

System Improvement Charge

- Application filed on September 12, 2024, requesting \$4.3 million in annualized revenue; decision targeted first half of 2025

3009 Water System ~270 customers

- Filed sale, transfer, and merger application to close

Water Conservation

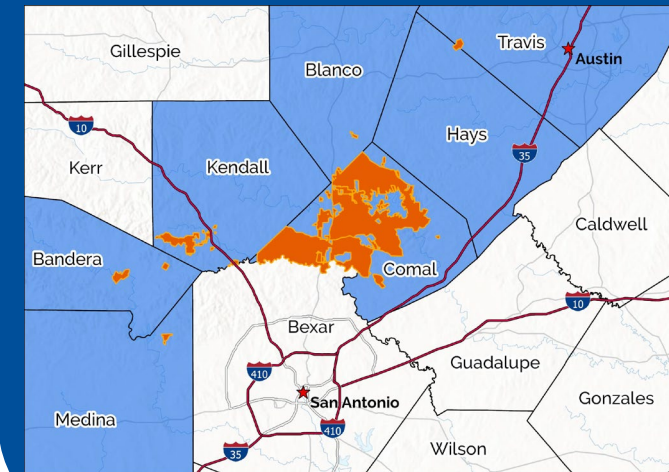
- Conservation measures remain in place

Water Supply

- Multiphase, multiyear project to connect projected 6,000 acre-feet of water from KT Water Resources

TEXAS WATER
COMPANY

Texas had the highest population growth of any U.S. state in the 2020 Census.¹ Texas Water serves the rapidly growing area in the Austin-San Antonio corridor



¹ Source: U.S. Census Bureau population growth in counties with a population of at least 10,000, 2010 - 2019

Reaffirming Non-GAAP Guidance

2024 Guidance ¹	
Diluted EPS (GAAP)	\$2.65 - \$2.75
Adjusted Diluted EPS (non-GAAP)	\$2.68 - \$2.78
Equity Issuance, Excluding Acquisition Growth	\$55M - \$65M
Five-Year CapEx	\$1.6B ²

**2024 Adjusted
EPS Forecast
(non-GAAP)³
\$2.68 - \$2.78**

- **Remaining Factors Underlying 2024 Guidance:**
 - Potential for reduced usage based on conservation and other factors
 - 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

¹ 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.

² Five-year CapEx includes approximately \$230 million for PFAS treatment.

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

Force for Good

- SJW Group named one of America's Greenest Companies 2025 by *Newsweek*
- San Jose Water receives grant through Grid Resilience and Innovation Partnerships program for advancing clean energy infrastructure
- Greenhouse gas emission reduction of 20% 2019 to 2022
- Less than 10% non-revenue water in California
- Expanded use of recycled water for irrigation
- Connecticut Water named a Top Workplace by the *Hartford Courant* for the fourth consecutive year



Welcome and Thank You

Connecticut Public Utilities Regulatory Authority

Welcome:

- Commissioner David Arconti

Thank you:

- Commissioner Jack Betkoski



Questions

An aerial photograph of a river flowing through a lush green forested valley. The river is the central focus, with a dam or weir structure visible in the middle. The water is a vibrant blue-green color, and the surrounding hills are covered in dense green trees. The sky is clear and blue. The image is framed by a dark blue curved border at the top and bottom.

Appendix

PFAS Update

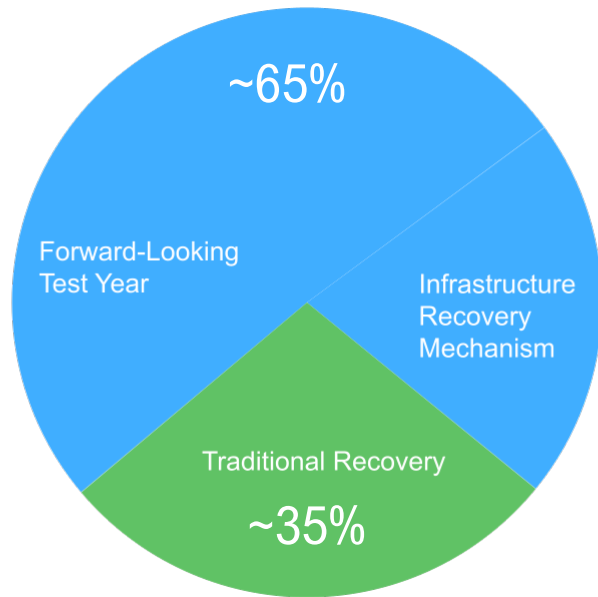
- Support U.S. EPA's standards for PFAS in drinking water
- Will comply with the new regulations within the time frame specified by the EPA
- \$230 million CapEx estimate for treatment at EPA's finalized maximum contaminant levels
- Party to class action settlements with PFAS manufacturers



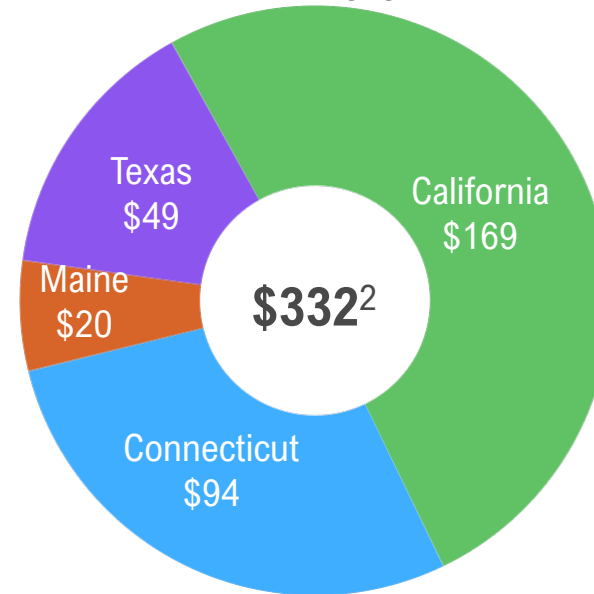
Meeting Long-Term Investment Needs

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

Timely Recovery
Through Regulatory Mechanisms in 2024¹



2024 Budgeted CapEx
in millions



¹ Based on budgeted investments or filings that qualify for infrastructure recovery mechanisms.

² Includes approximately \$27 million for AMI in California.

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		2024 step rate increase for 2022 to 2024 GRC
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					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
ME	2023-00065	GRC Biddeford-Saco 3	03/31/23	01/05/24	Effective 01/01/24	\$2.9M	\$2.6M	Retroactive to 01/01/24
ME	2023-00163	WISC Camden-Rockland	06/23/23	03/22/24	Effective 03/22/24	\$158K	\$158K	
ME	2024-00140	WISC Freeport	06/24/24			\$27K		
ME	2024-00141	WISC Oakland	06/24/24			\$25K		
ME	2024-00291	GRC Camden-Rockland	10/25/24		Filed	\$1.1M		
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		Application filed 01/05/24			~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

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 financial measures representing GAAP earnings adjusted to exclude the effects of non-utility real estate transactions and costs associated with mergers and acquisition activities, if any. These non-GAAP financial measures are provided as additional information for investors to evaluate the performance of SJW Group's business activities excluding these items. Management also believes these non-GAAP financial measures help investors and analysts better understand our actual results compared to our guidance on a non-GAAP basis. 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	\$ 2.65		to 2.75	
Adjustments:				
Loss on sale of real estate investments, net of tax	0.02		0.02	
Expense for merger and acquisition activities	0.01		0.01	
Adjusted EPS Guidance (non-GAAP)	<u>\$ 2.68</u>		<u>to 2.78</u>	

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Reported GAAP Net Income	\$ 38,652	36,222	\$ 71,047	66,038
Adjustments:				
Loss (gain) on sale of real estate investments ¹	60	—	969	(1,473)
Expense for merger and acquisition activities ²	361	—	361	—
Tax effect of above adjustment ³	(120)	—	(411)	412
Adjusted Net Income (non-GAAP)	<u>\$ 38,953</u>	<u>36,222</u>	<u>\$ 71,966</u>	<u>64,977</u>
Reported GAAP Diluted Earnings Per Share	\$ 1.17	1.13	\$ 2.18	2.09
Adjustments:				
Loss (gain) on sale of real estate investments, net of tax	—	—	0.02	(0.03)
Expense for merger and acquisition activities, net of tax	0.01	—	0.01	—
Adjusted Diluted Earnings Per Share (non-GAAP)	<u>\$ 1.18</u>	<u>1.13</u>	<u>\$ 2.21</u>	<u>2.06</u>

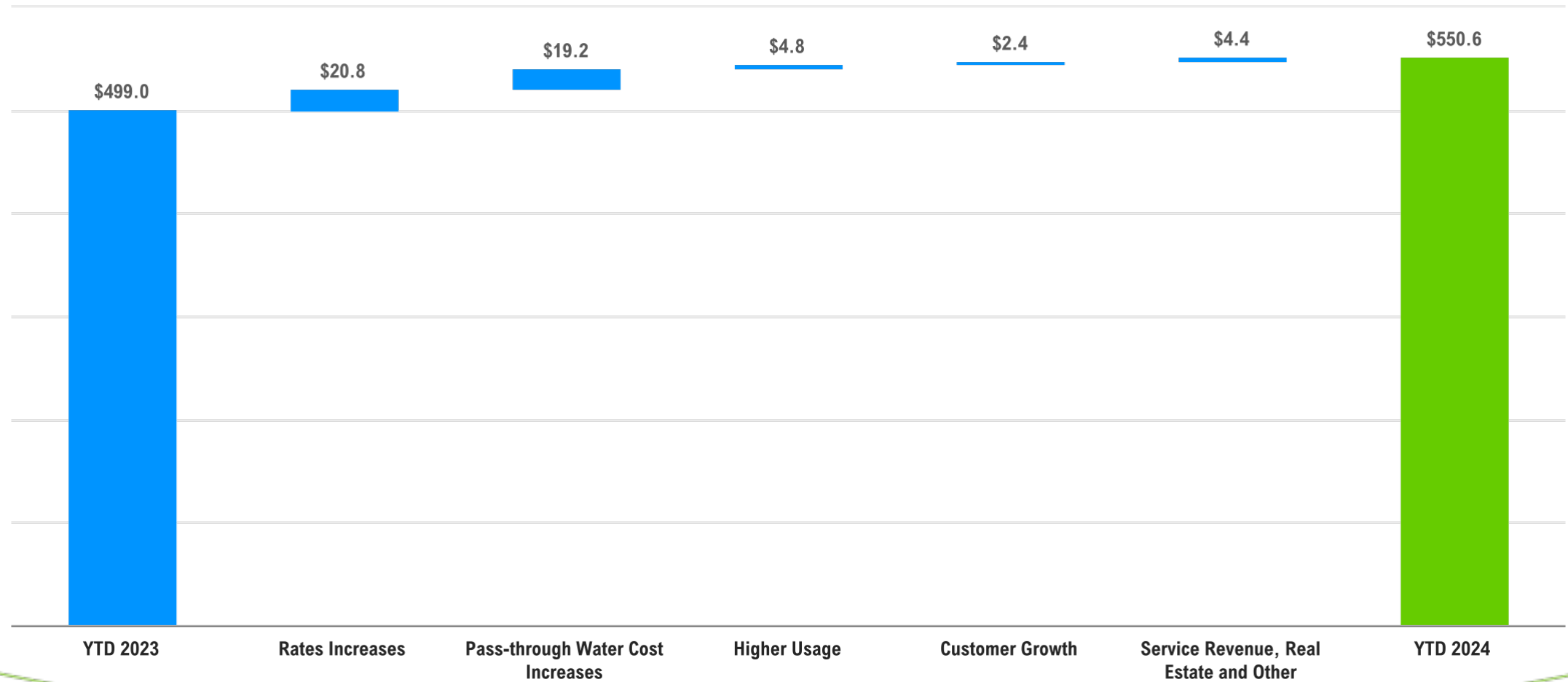
¹ Included in the "Other, net" line on the condensed consolidated statements of comprehensive income.

² Included in the "Administrative and general" line on the condensed consolidated statements of comprehensive income.

³ The tax effect on all adjustments is calculated at the applicable statutory rate.

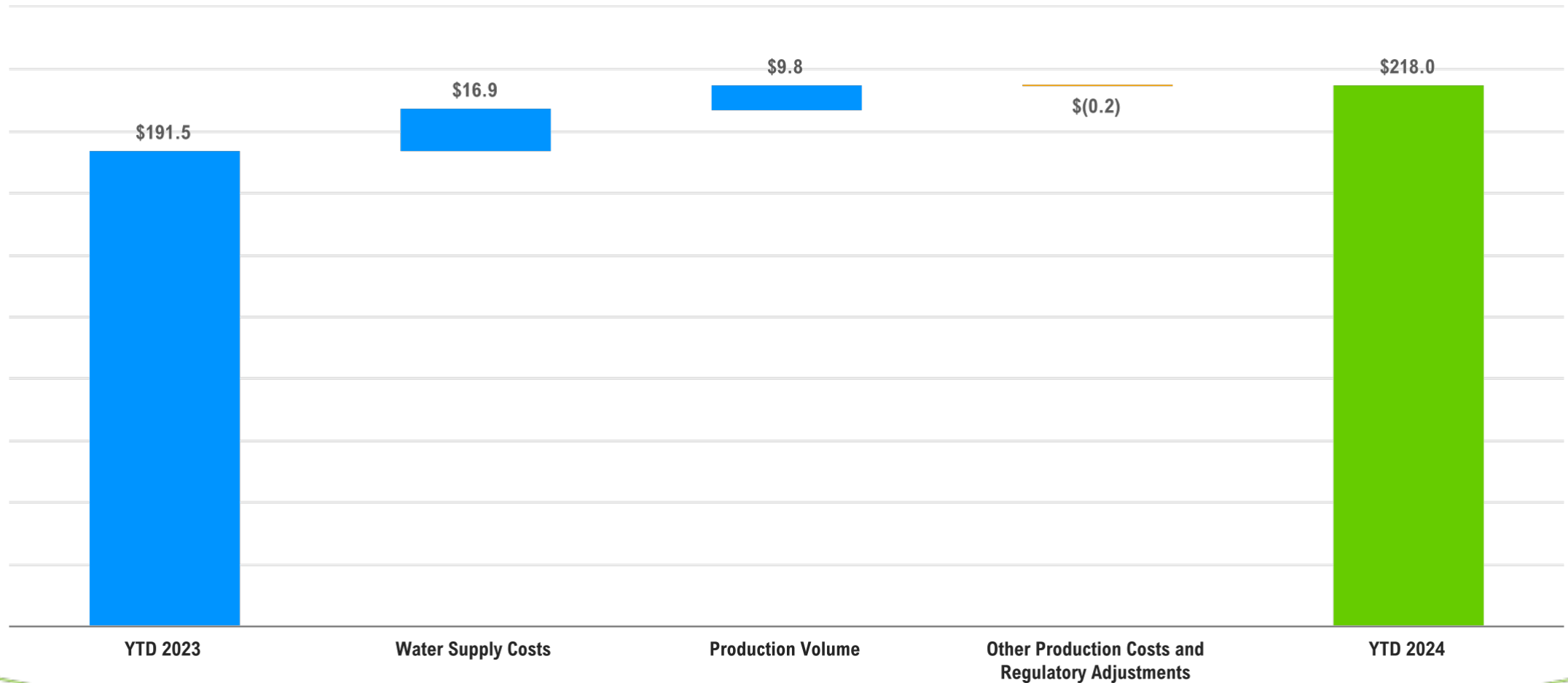
YTD 2024 Revenue Increased 10%

Change in Revenue (\$M): YTD 2024 - YTD 2023



YTD 2024 Water Production Expenses Increased 14%

Change in Water Production Expenses (\$M): YTD 2024 - YTD 2023



YTD 2024 Other Operating Expenses Increased 6%

Change in Other Operating Expenses (\$M): YTD 2024 - YTD 2023

