



SJW Group

COAST TO COAST

Investor Presentation - January 2022

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," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," "projects," "strategy," or "anticipates," 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.

The accuracy of such statements is subject to 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 actions concerning rates, authorized return on equity, authorized capital structures, capital expenditures and other decisions; (2) changes in demand for water and other services; (3) the impact of the Coronavirus ("COVID-19") pandemic on our business operation and financial results; (4) unanticipated weather conditions and changes in seasonality, including those affecting water supply and customer usage; (5) climate change and the effects thereof; (6) unexpected costs, charges or expenses; (7) our ability to successfully evaluate investments in new business and growth initiatives; (8) contamination of our water supplies and damage or failure of our water equipment and infrastructure, (9) the risk of work stoppages, strikes and other labor-related actions; (10) catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, hurricanes, terrorist acts, physical attacks, cyber-attacks, epidemic or similar occurrences; (11) changes in general economic, political, business and financial market conditions; (12) 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 (13) legislative and general market and economic developments.

Results for a quarter are not indicative of results for a full year due to seasonality and other factors. In addition, actual results 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 performance. All information included in this presentation is as of September 30, 2021, unless stated otherwise, and we undertake no obligation to update or revise any forward-looking statements except as required by law.

Use of Non-GAAP Financial Information

In this presentation, the Company will be discussing the non-GAAP financial measure of Adjusted EBITDA, which is adjusted from results based on GAAP. This non-GAAP financial measure is provided to enhance the investors' overall understanding of the Company's current financial performance and the Company's prospects for the future. We have presented Adjusted EBITDA because we believe it serves as an appropriate measure to be used in evaluating the performance of our business and help our investors better compare our operating performance over multiple periods and that the exclusion of the amounts eliminated in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of our core business performance.

Non-GAAP measures should not be viewed as a substitute for the Company's financial statements prepared in accordance with GAAP. The Company's use of non-GAAP financial measures has certain limitations in that such non-GAAP financial measures may not be directly comparable to those reported by other companies. Other companies may use the same or similarly named measures, but exclude different items, which may not provide investors with a comparable view of our performance in relation to other companies. We seek to compensate for the limitation of the non-GAAP presentation by providing a detailed reconciliation of Adjusted EBITDA to net income in the attached Appendix I.

Experienced Leadership Team with Record of Execution, Regional Focus and Dedication

Leveraged expertise across the multistate platform with a commitment to local markets

Eric W. Thornburg

Chairman, President and
Chief Executive Officer

*39 years of water
utility experience*



Jim Lynch

Chief Financial Officer

12 years with SJW



Andy Gere

President and Chief Operating Officer
of San Jose Water

26 years with SJW



Maureen Westbrook

President of
New England Region

34 years with CTWS



Kristen Johnson

Chief Administrative Officer

14 years with CTWS



Willie Brown

Vice President, General Counsel and
Corporate Secretary
Effective May 31, 2021

14 years with SJW



Andrew Walters

Chief Corporate Development Officer and
Integration Executive

8 years with SJW



Key Investment Highlights

Growth – Capital and Customers

- Robust 5-year capital investment plan of \$1.3B in water/wastewater infrastructure, subject to regulatory approval
- Texas operation more than tripled in size between 2006 and 2020, organic growth exceeding 10% annually
- Closed on Kendall West and Bandera East utilities in 4Q 2022, Texas Country Water approval expected 1Q 2022

Geographic and Regulatory Diversity

- Regulatory lag is minimized by forward test year in CA and infrastructure replacement surcharge mechanisms in CT and ME, and soon in TX
- Going forward, will attempt to stagger rate filings for SJW's large utilities and target filings every 3-4 years
- Weather diversity

Commitment to ESG

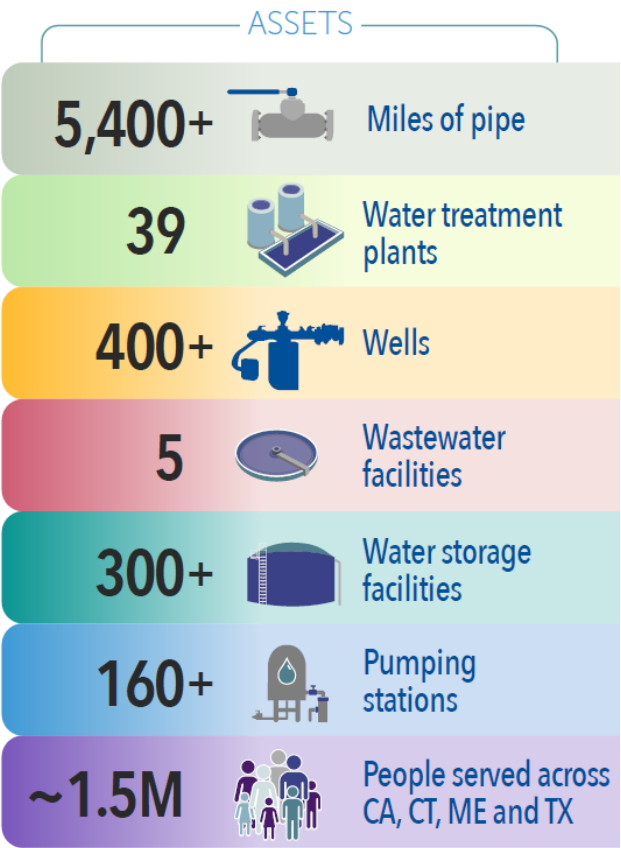
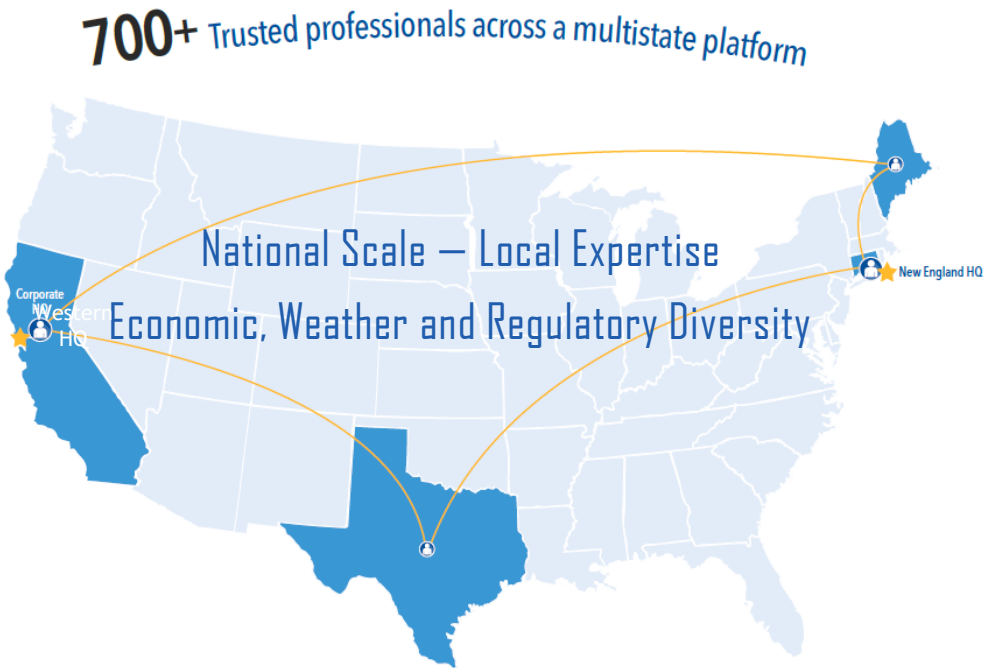
- Reducing carbon emissions – Science-based target to reduce Scope 1 and 2 carbon emissions 50% by 2030
- Fostering environmental stewardship – 100% environmental compliance and 15% non-revenue water target
- Leading ISS ESG ratings – ISS Environmental (5), Social (3), Governance (1)
- Supporting supplier responsibility – Adopted vendor code of conduct, recognized excellence in supplier diversity, and committed to Diversity, Equity and Inclusion

Strong Dividend Track Record

- Industry-leading dividend growth, exceeding 10% over the past 5 years
- 77 consecutive years paying a dividend
- Increased 53 consecutive years

SJW Group Profile

SJW Group At A Glance



Large National Pure-Play Water/Wastewater

Market Data¹

As of January 7 2022, unless otherwise noted

- \$3.6 Billion Total Enterprise Value
- \$2.1 Billion Market Capitalization
- 1.9% Dividend Yield
- 158% 5-Year Total Shareholder Return (12/31/2020)
- \$565 Million Operating Revenue in 2020

Resources

As of December 31, 2020, unless otherwise noted

- 390,000 Service Connections
- \$1.7 Billion Rate Base²

¹ Source: Bloomberg

² An approximation of rate base, which includes Net Utility Plant not yet included in rate base pending rate case filings/outcomes

SJW Group at a Glance: Pure-Play Water



San Jose Water

- Regulated California water utility
- Serving San Jose and the greater Silicon Valley metropolitan area
- Growth supported by a robust need for infrastructure replacement and forward test year



Connecticut Water

- Regulated Connecticut water utility
- Serves portions of 60 communities that are predominantly suburban and rural
- Timely recovery of distribution asset capital additions through the Water Infrastructure and Conservation Adjustment (WICA) surcharge



Maine Water

- Regulated Maine water utility serving 21 cities and towns
- “Best in Class” Water Infrastructure Charge (WISC) infrastructure surcharge



SJWTX (Canyon Lake Water Service Company)

- Regulated Texas water utility
- Located in three of the top five fastest-growing counties in the U.S.

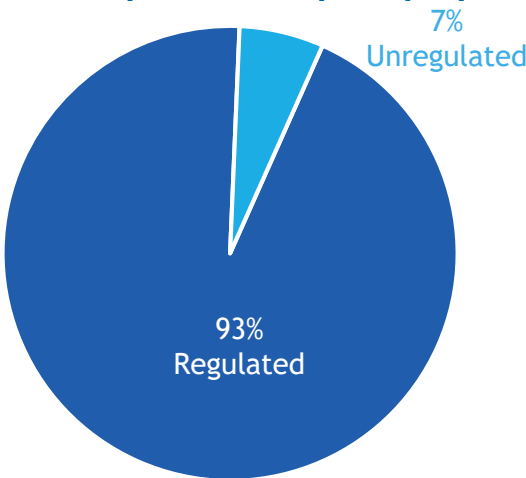


SJW Land Company

- Nonregulated
- Tax-advantaged, income-producing properties for future disposition as capital needs warrant; currently unlevered

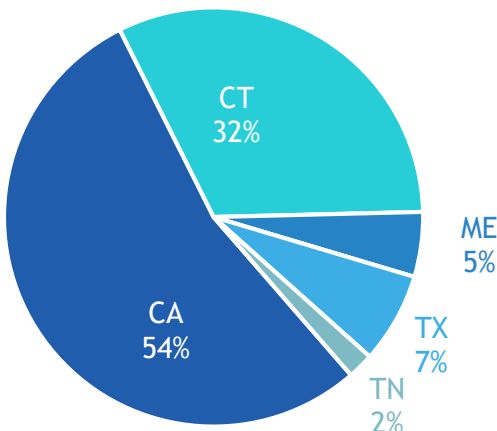
Operating Utility
Net Income
2020

Pure-Play Water Utility Company



Net Income
by State
2020

Economic Diversity



Our Foundation

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

- Passionate about stewardship and the value of water
- Protect and manage water and watershed for sustainability in order to serve current and future generations
- Use available ratemaking tools to encourage conservation
- Leverage technology to minimize water loss
- A water service provider — not a water seller
- Invest in sustainability and reduce carbon footprint

Customers/Communities

- Provide high-quality water
- High level of community engagement
- Deliver world-class service
- Customer financial assistance programs
- Be a positive force in the community
- Promote conservation and wise use of water resources

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

Growth Strategy

Capital Expenditures (CapEx)

- Investment in water utility infrastructure and earning a return “of and on” that investment
- Five-year plan to invest \$1.3 billion in water/wastewater infrastructure, subject to regulatory approval

Constructive Regulatory Environment

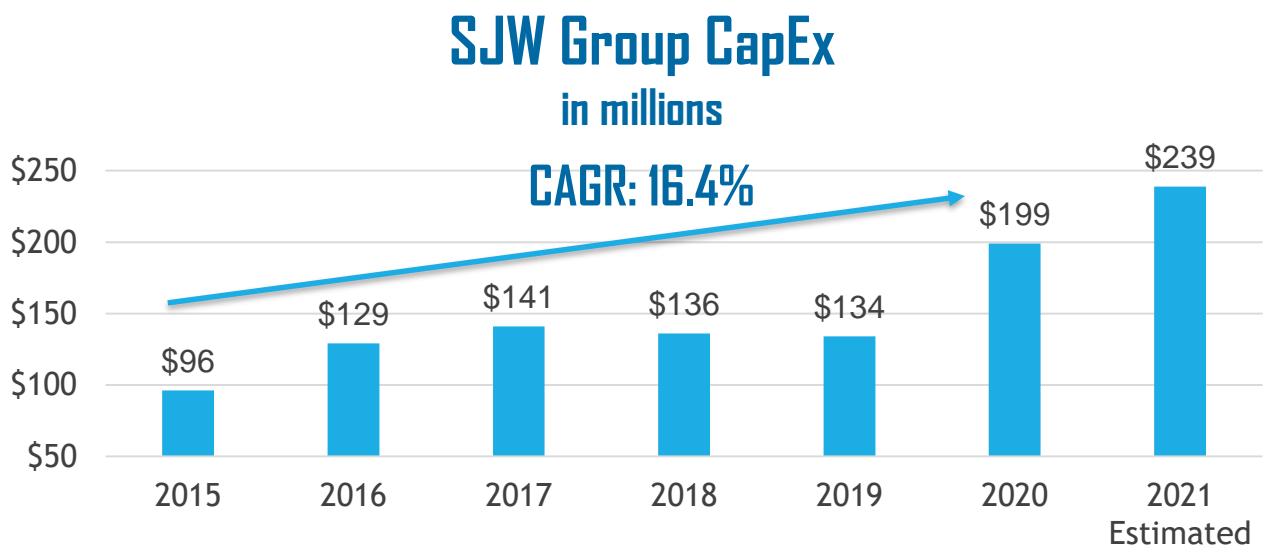
- Experienced and highly regarded regulatory teams working cooperatively with state commissions to align customer and shareholder interests
- Infrastructure surcharge mechanisms in Connecticut, Maine and Texas, forward-looking test year in California

Acquisitions

- Opportunistic
- Water and wastewater systems
- National footprint for growth



Infrastructure Investment Drives Rate Base Growth



Infrastructure Surcharge Mechanisms

Forward Test Year

Reduced Regulatory Lag

State	CT	ME	TX
Mechanism	WICA	WISC	DSIC
Allowed Surcharge	10%	20%	TBD
CA is a forward test year state, which minimizes regulatory lag → build to authorized budget			

2021 CapEx

- More than \$125 million allocated to pipe and main replacements
- California achieved its \$320 million 3-year capital program authorized by the CPUC in its 2018 general rate case application
- \$169.2 million, or 71%, of 2021 planned CapEx invested as of September 30, 2021

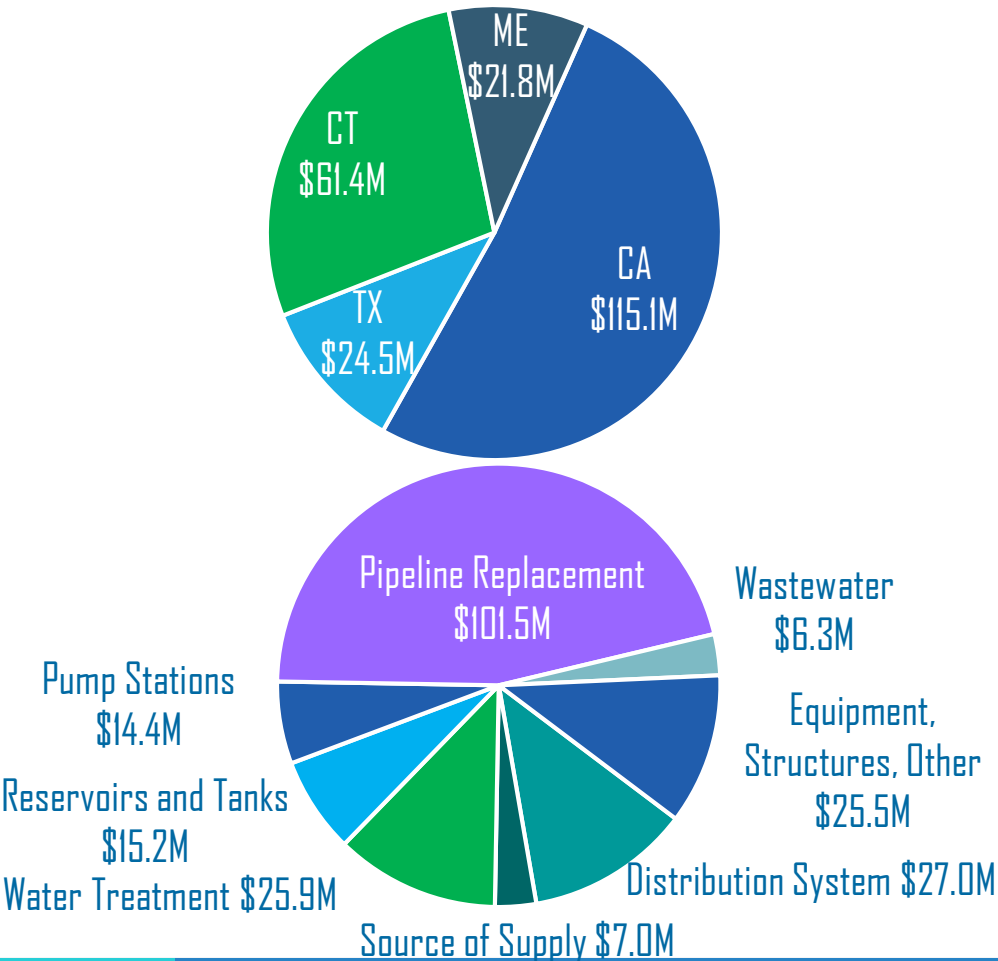
Opportunities in 2022 and Beyond



Saco River Drinking Water Treatment Facility
November 2021

- Annual replacement of approximately 1% of pipeline across all four states of operation, with approximately \$75 million invested annually
- Significant “generational investment” with new facility planned in Biddeford, Maine, to replace 1884 plant; \$100 million in Advanced Metering Infrastructure (AMI) implementation between 2022 and 2025, pending CPUC approval

Budgeted 2022 CapEx \$223M



Acquisition Growth and Opportunities

2010 – 2020 Customer Growth

- 25+ acquisitions by SJW Group and subsidiaries
- 65% customer growth ~154K new customers
- Transformational growth with CTWS in 2019

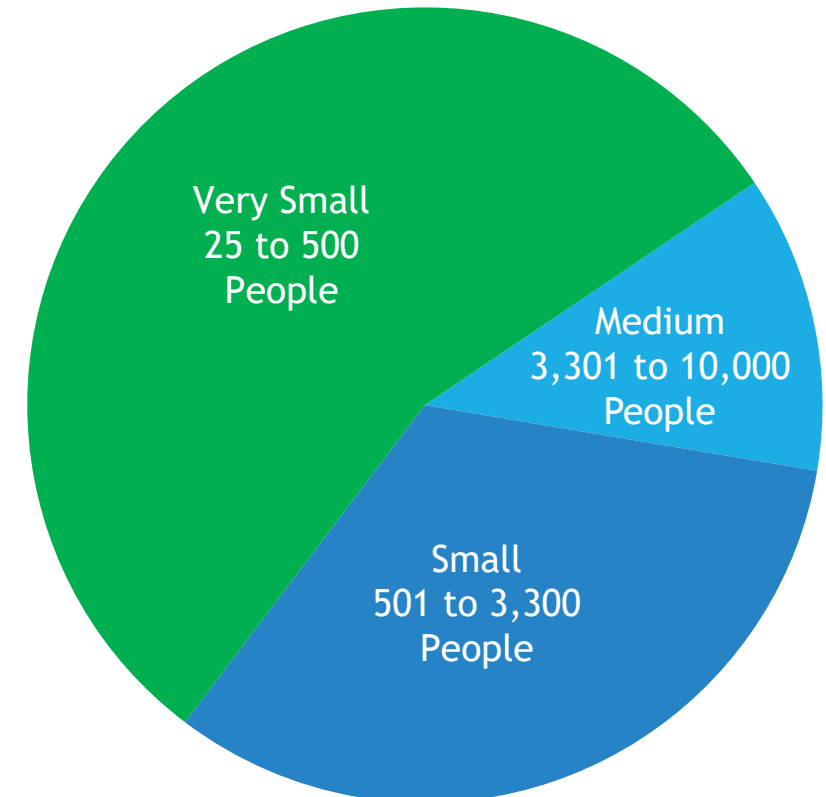
2021 Acquisitions

- SJW TX completed acquisitions of Kendall West, Bandera East, and Clear Water Estates
 - Completed acquisitions represent over 1,800 service connections
 - Clear Water Estates first fair market value acquisition in Texas by any utility
- Connection growth nearly quadrupled between 2006 and 2021 to over 24,000 water and wastewater connections

Opportunities

- More than 8,400 community water systems in CA, CT, ME and TX
- More than 16,000 publicly owned wastewater systems nationwide

Community Water Systems CA, CT, ME and TX



Sources: Company filings, EPA Drinking Water Dashboard, Cybersecurity & Infrastructure Security Agency, "Water and Wastewater Systems Sector"

Capital-Supportive Regulatory Environments



- Future test year
 - Balancing and memorandum accounts
 - Cost of Capital proceeding outside of general rate case
 - Water cost of capital adjustment mechanism
-



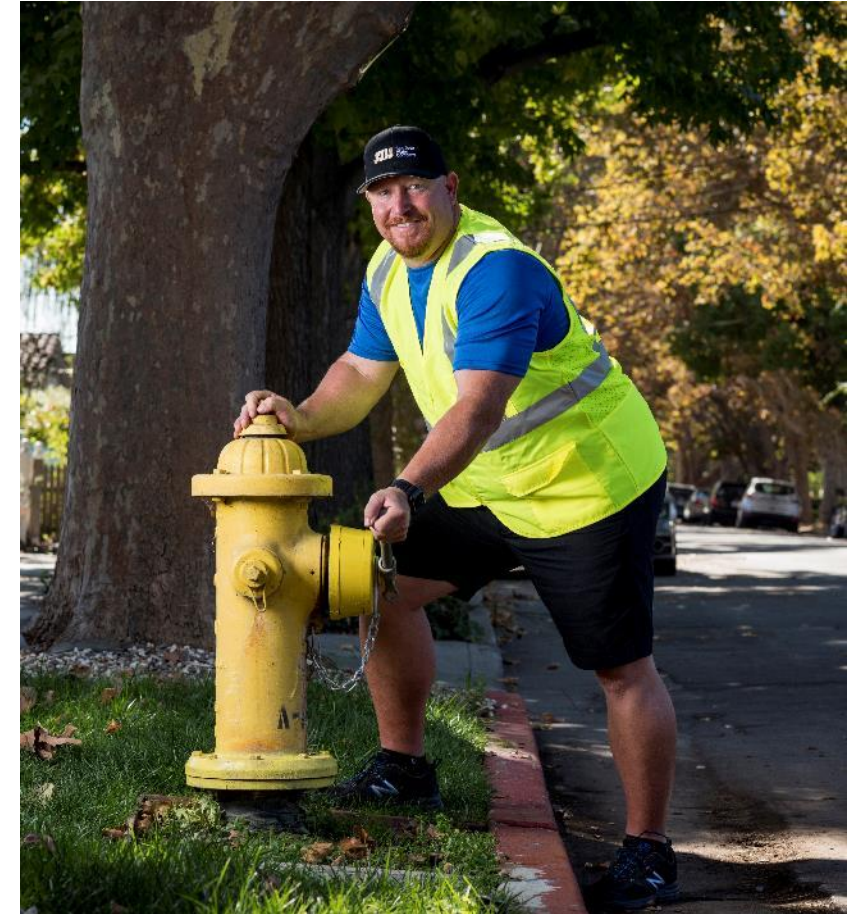
- WICA
 - Water revenue adjustment (WRA) mechanism
 - 200-day statutory time frame for rate proceedings
-



- Streamlined rate case
 - WISC
 - WRA
-



- Recovery of reasonable operating costs and a fair rate of return
- Adjustment mechanism for wholesale water cost
- Fair Market Value legislation passed in 2019
- Infrastructure surcharge in development





2022 – 2024 Rate Case

- GRC filed on January 4, 2021
- Requesting \$88 million increase in revenues over 3 years
- Requesting authorization of \$435 million 3-year capital budget
- New rates, if approved, expected to be effective in 2Q 2022
- Interim rates to be in place on January 1, 2022

Advanced Metering Infrastructure (AMI) Application

- All-party settlement submitted to CPUC for adoption
- Approximately \$100 million over the next four years for AMI deployment
- Separate from 2021 GRC capital budget request
- Decision on settlement agreement expected in 2Q 2022





Cost of Capital Filing

- Seeking revenue increase of \$6.4 million
- ROE of 10.3% requested and increased equity portion of capital structure
- Proposed decrease in cost of debt
- New rates expected in 3Q 2022

Drought Response

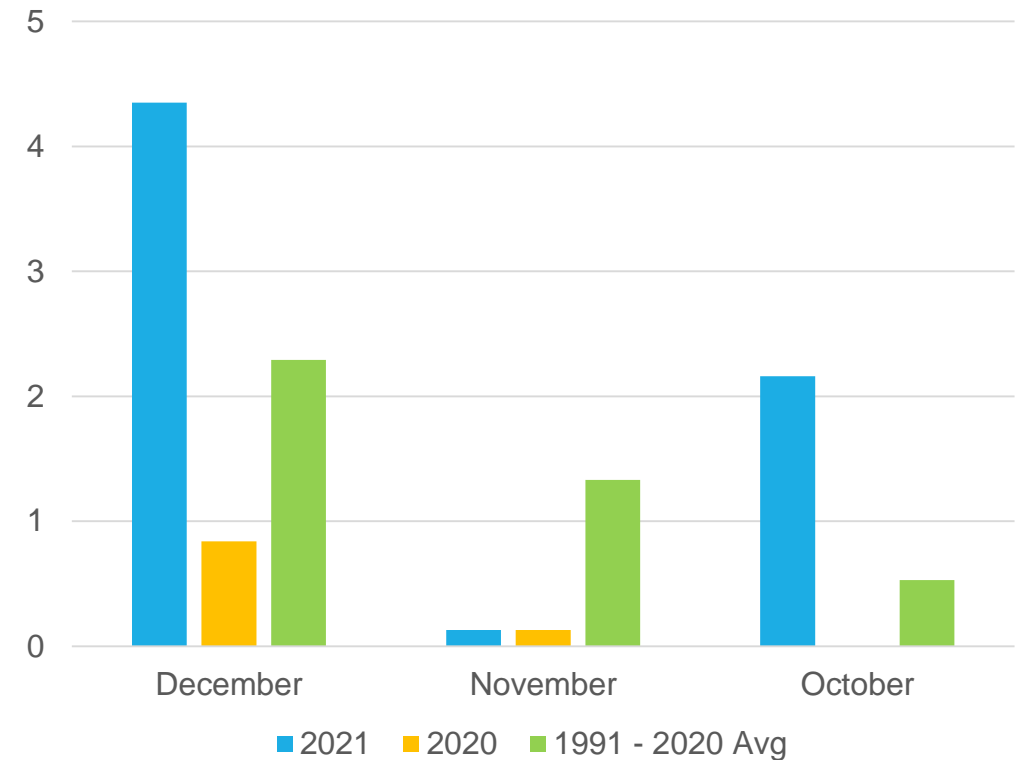
- Water Conservation Memorandum Account, Water Conservation Expense Memorandum Account and other mechanisms employed to encourage conservation while allowing the company the opportunity to earn its authorized return



Promising Start to California 'Rainy' Season

- Typical 'rainy' season November through March
- Above average precipitation in two of the three months at the end of 2021
- Favorable compared to October through December 2020
- Still need to drive conservation
- Cautiously optimistic

Precipitation in inches
San Jose, California¹



¹Source: National Weather Service



\$9.9 million total additional revenue in 2022 plus \$500k expense to capital

Total Revenue Requirement authorized in the Connecticut GRC increased \$7.3 million or 7.1%

Additional \$2.6 million in revenues through WICA

2021 Rate Case

- Final decision issued by Connecticut Public Utilities Regulatory Authority (PURA) on July 28, 2021
- Authorized \$5.2 million increase in annual revenues
- Allowed approximately \$500,000 annual IT expenses to be recorded as CapEx
- Final ruling by PURA on request to reconsider certain tax matters in GRC on November 17, 2021
- Authorized \$2.1 million in additional revenues

Water Infrastructure and Conservation Adjustment (WICA)

- Final decision issued by PURA on December 22, 2021
 - Approved request for approximately \$22 million in completed projects
 - Included certain projects not considered in GRC due to capital additions deadline
 - \$2.6 million in annual revenues
 - Effective January 1, 2022



Biddeford/Saco Division - Three-Step General Rate Case

- Step 1 rate-smoothing mechanism implemented in July 2021
 - Mitigates customer rate shock
- Step 2 of GRC for Biddeford-Saco Division filed on September 8, 2021
 - Requesting \$6.9 million increase in revenue
 - Related to new Saco River Drinking Water Treatment Facility — replacing 1884 plant
 - \$60 million generational investment
 - Decision expected in 2Q 2022 in line with facility completion
- Step 3 of GRC expected to be filed second half of 2022

1Q Rate Case Filings

- Rate case filings planned in 4 divisions before March 31, 2022
 - Required under the settlement agreement with the Maine Public Utilities Commission regarding the Tax Cuts and Jobs Act



Texas had the highest population growth of any state in 2020 Census

SJW TX serves three of the five fastest growing counties in the nation¹

2021 Acquisitions

- Completed acquisition of Clear Water Estates Water System in 2021
 - First acquisition requesting treatment under Fair Market Valuation legislation
 - Authorized rate base – average of three appraisals
- Completed acquisition of Kendall West and Bandera East utilities on December 17, 2021 following approval by the Public Utilities Commission of Texas (PUCT)
 - Over 1,600 water/wastewater service connections

Pending Acquisition

- PUCT staff recommended approval of the acquisition of Texas Country Water without a hearing on 12/8/2021
 - Final PUCT approval expected in 1Q 2022

Regulatory Advances

- House Bill 1484 signed into law effective September 1, 2021
 - Rates applied to certain water or sewer systems after sale or purchase of the system

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

Commitment to Environmental, Social and Governance (ESG) Sustainability

Environmental

- Dedicated board sustainability committee
- ISS environmental rating of “5” (among the best of water utility peers)
- Continue focus on use and protection of over 10,000 acres of watershed land
- GHG inventory completed and set new goal of 50% reduction in Scope 1 and Scope 2 emissions by 2030

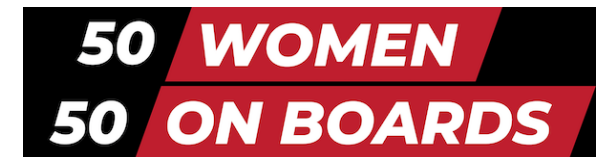


Social

- Assistance programs for customers
 - Payment arrangements
 - Low-income customer rates
- Supplier diversity program
- World-class customer satisfaction
- Adopted Vendor Code of Conduct in 2021
- ISS social rating of “3” (tied for best among water utility peers)
- Active Environmental Health and Safety Committee
 - Coordinated response to COVID-19
 - Construction Safety Award (CT) – 18 straight years
 - Workplace violence prevention program
- Diversity, Equity and Inclusion Council
- CEO Pledge – CEO Action for Diversity and Inclusion

Governance

- Human rights policy
- Employees participate in ethics, conduct and cybersecurity training
- 50/50 Women on Boards “Gender Balanced” company
- ISS governance score is a “1” (best score possible)

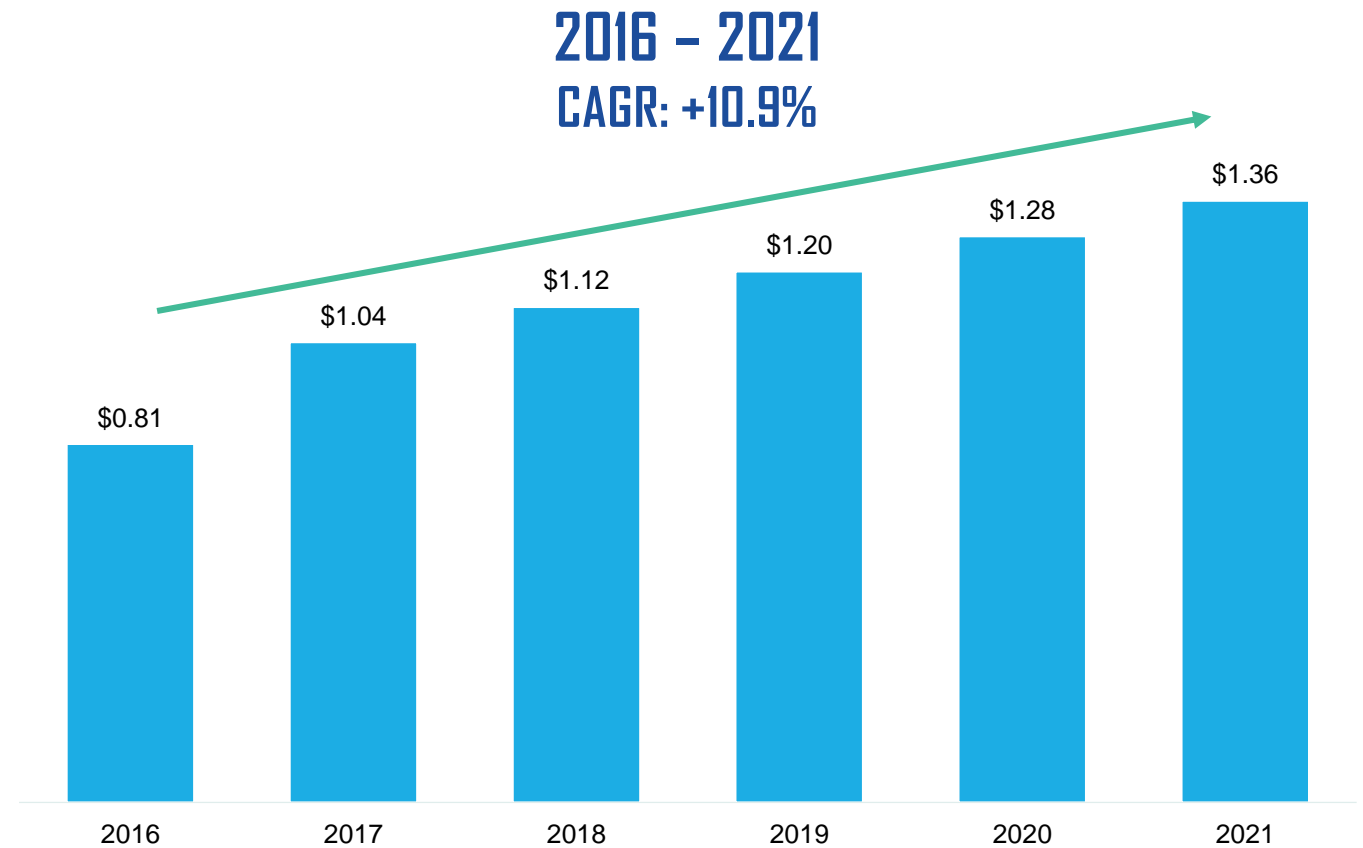


**CEO ACTION FOR
DIVERSITY & INCLUSION**

Stable and Consistent Dividend Growth

Dividend

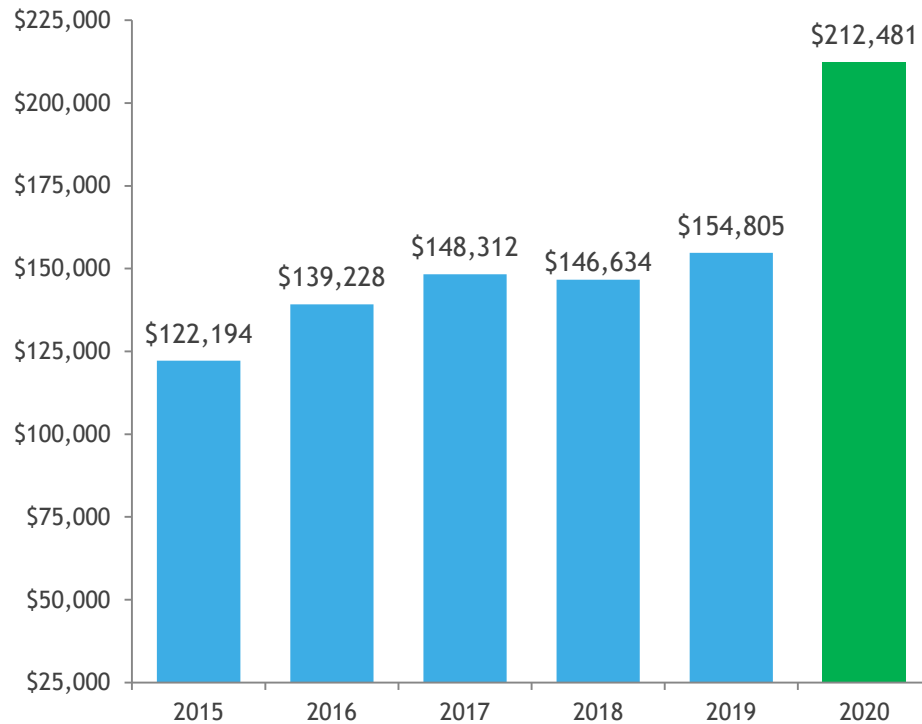
- 6.3% increase in annual dividend over 2020
- \$1.36 per share (annual)
- Continuously paid dividends for more than 77 years
- Annual dividend increase for 53 consecutive years



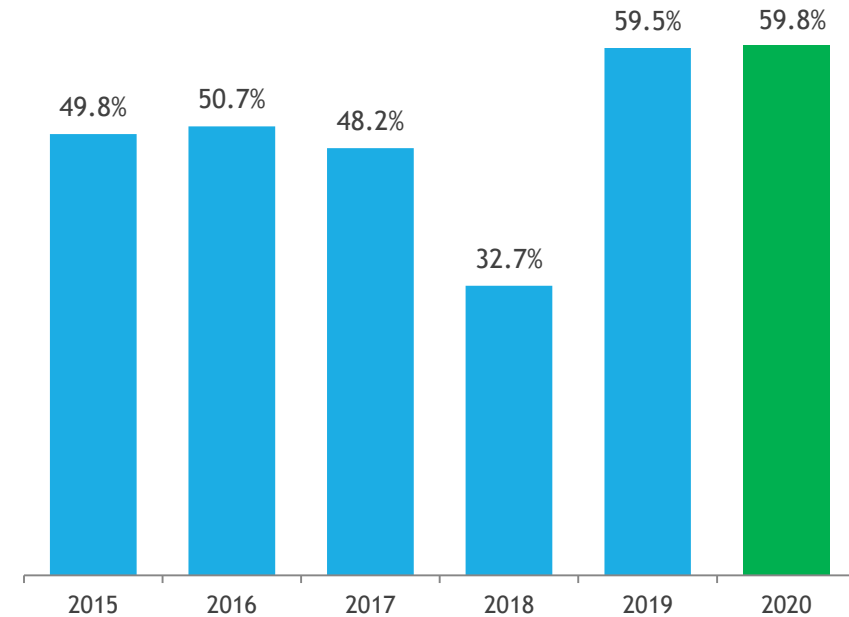
Includes \$0.17/share special dividend declared in November 2017 and paid in December 2017

Financial Highlights: SJW Group

Adjusted EBITDA (in thousands)



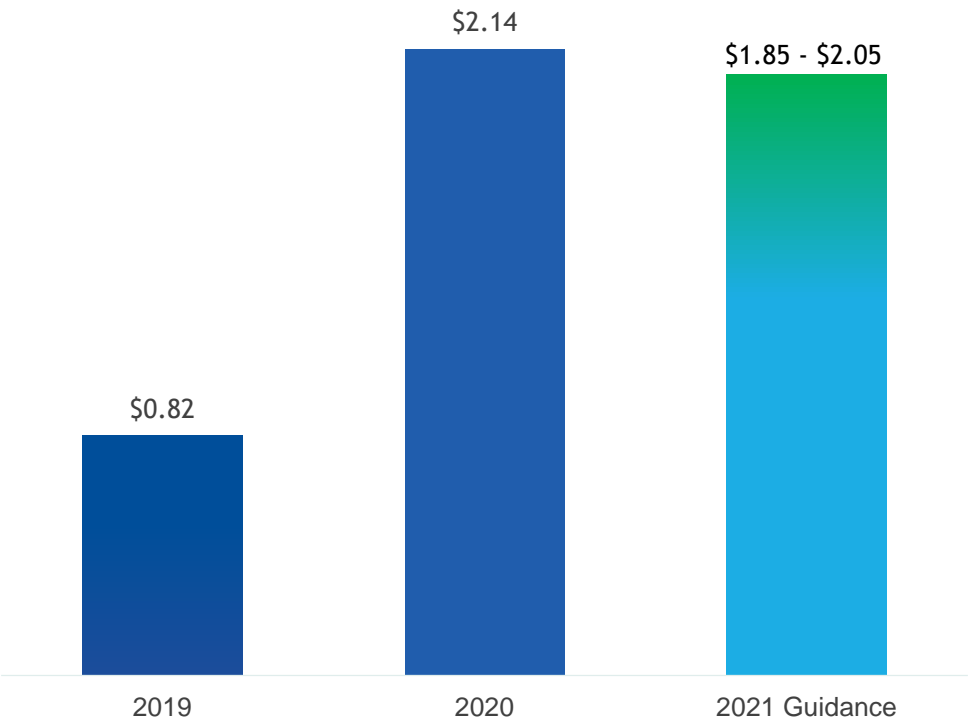
Debt to Capitalization



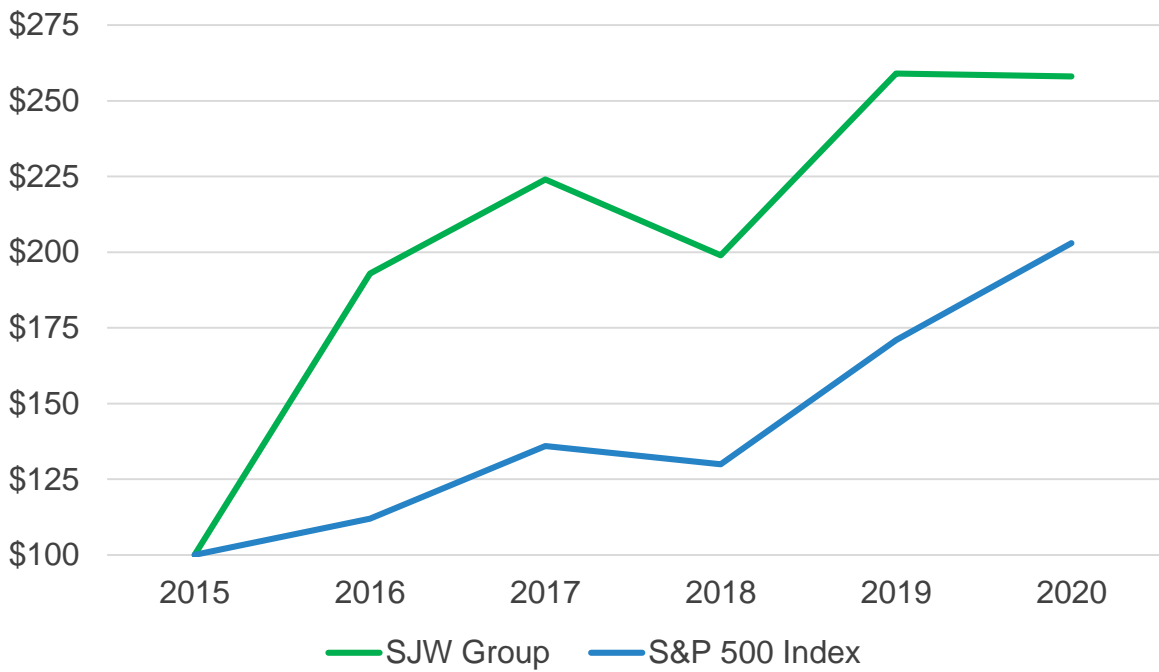
Non-GAAP Financial Information

This presentation includes the non-GAAP financial measure of adjusted EBITDA. A reconciliation of this measure to the most directly comparable GAAP measure is included in Appendix I to this presentation.

2019 - 2020 Diluted EPS



5-Year Total Shareholder Return¹



Source: Company filings, investor presentations
¹Assumes \$100 was invested in SJW Group common stock and the S&P 500 Index on December 31, 2014, and assumes reinvestment of dividends

Industry Status: Infrastructure Investment Needed

The Infrastructure Replacement Era

Opportunity for well-managed, customer-centric, investor-owned water and wastewater

Water

- At least \$473 billion needs to be invested to replace aging drinking water infrastructure
- 50,000 water systems
- 85% of population served by municipalities
- About two-thirds of public spending since the 1980s has been made by state and local governments

Wastewater

- At least \$271 billion needs to be invested to replace aging wastewater infrastructure
- 14,700 wastewater systems
- 97% of population served by municipalities
- Federal funding of capital investment dropped from 63% to 9% between 1977 and 2017

American Society of Civil Engineers 2021 Infrastructure Report Card



Proposed budget cuts money needed for 'critical' repairs to Flint Wastewater Treatment Plant

Updated Jun 12, 2019; Posted Apr 30, 2019

Business

Over 700 cash-strapped cities halt plans to repair roads, water systems or make other key investments

The coronavirus has forced many municipalities to halt or cancel major purchases and infrastructure improvements, according to new data from the National League of Cities.

Framingham's water & sewer funds are \$2.5 million in the hole. Cut budgets or raise rates?

Jeannette Hinkle MetroWest Daily News
Published 5:04 p.m. ET Dec. 8, 2020 | Updated 5:05 p.m. ET Dec. 8, 2020

Sources: American Society of Civil Engineers, 2021 Infrastructure Report Card; AWWA, Buried No Longer; EPA, 2018 Drinking Water Infrastructure Needs Assessment; EPA, 2012 Clean Watersheds Needs Survey

Long-Term Strategy

- Deliver exceptional service to families and communities
- Protect employee and public health
- Grow regulated water and wastewater utility business
- Invest capital (CapEx) to serve customers and conserve natural resources
- File timely infrastructure surcharges and general rate cases
- Steward constructive regulatory relationships
- Increase shareholder value through prudent acquisitions
- Maintain the momentum of the CTWS integration
- Support supplier diversity
- Conduct our business while honoring the highest ethical standards
- Focus on water and wastewater service, not sales
- Be a positive force in the communities where we live, work and serve



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.”

COVID-19 Response for Customers and Communities

- Offered payment arrangements and assistance for customers experiencing financial challenges
- Waived certain fees and deposits
- Suspended billing-related shut-offs, consistent with state regulatory jurisdictions
- Increased local support of organizations providing food, shelter and healthcare needs
- Water Rate Assistance Program for income-eligible customers in effect in California and Connecticut



Touchless water bottle filling stations donated to local schools

Adjusted EBITDA

Reconciliation of Non-GAAP Financial Measures

		For the Year Ended December 31 (in thousands)					
		2020	2019	2018	2017	2016	2015
Net Income		\$ 61,515	\$ 23,403	\$ 38,767	\$ 59,204	\$ 52,839	\$ 37,882
Add (Subtract):							
	Income Attributable to the noncontrolling interest	\$ -	\$ 224	\$ -	\$ 1,896	\$ -	\$ -
	Income Tax Expense	\$ 8,380	\$ 8,454	\$ 10,065	\$ 35,393	\$ 33,542	\$ 23,272
	Interest Expense	\$ 54,255	\$ 31,796	\$ 24,332	\$ 22,929	\$ 21,838	\$ 22,186
	Interest Income	\$ -	\$ (6,536)	\$ (155)	\$ -	\$ -	\$ -
	Depreciation and Amortization	\$ 89,279	\$ 65,592	\$ 54,601	\$ 48,292	\$ 44,625	\$ 40,740
EBITDA		\$ 213,429	\$ 122,933	\$ 127,610	\$ 167,714	\$ 152,844	\$ 124,080
	Write-off of Regulatory Asset Account	\$ -	\$ 9,386	\$ -	\$ -	\$ -	\$ -
	CTWS Merger-Related Expenses	\$ -	\$ 15,768	\$ 18,610	\$ -	\$ -	\$ -
	Post-CTWS Merger Integration Costs	\$ -	\$ 4,860	\$ -	\$ -	\$ -	\$ -
	Merger-Related Customer Credits	\$ -	\$ 2,767	\$ -	\$ -	\$ -	\$ -
	Loss (Gain) on Sale of Equity Investment	\$ -	\$ -	\$ 423	\$ -	\$ (3,197)	\$ -
	Loss (Gain) on Sale of Utility Property	\$ -	\$ 20	\$ (9)	\$ (12,499)	\$ -	\$ -
	Gain on Sale of Real Estate Investments	\$ (948)	\$ (929)	\$ -	\$ (6,903)	\$ (10,419)	\$ (1,886)
Adjusted EBITDA		\$ 212,481	\$ 154,805	\$ 146,634	\$ 148,312	\$ 139,228	\$ 122,194

San Jose Water – 2020 Supply Mix

5-Year Average – 36.1 Billion Gallons



- ~\$4.4 million/BG

- ~\$4.4 million/BG
 - \$4.1 million/BG + pumping, treatment & O&M costs

- ~\$350,000/BG
- Winter rainfall – Santa Cruz Mountains

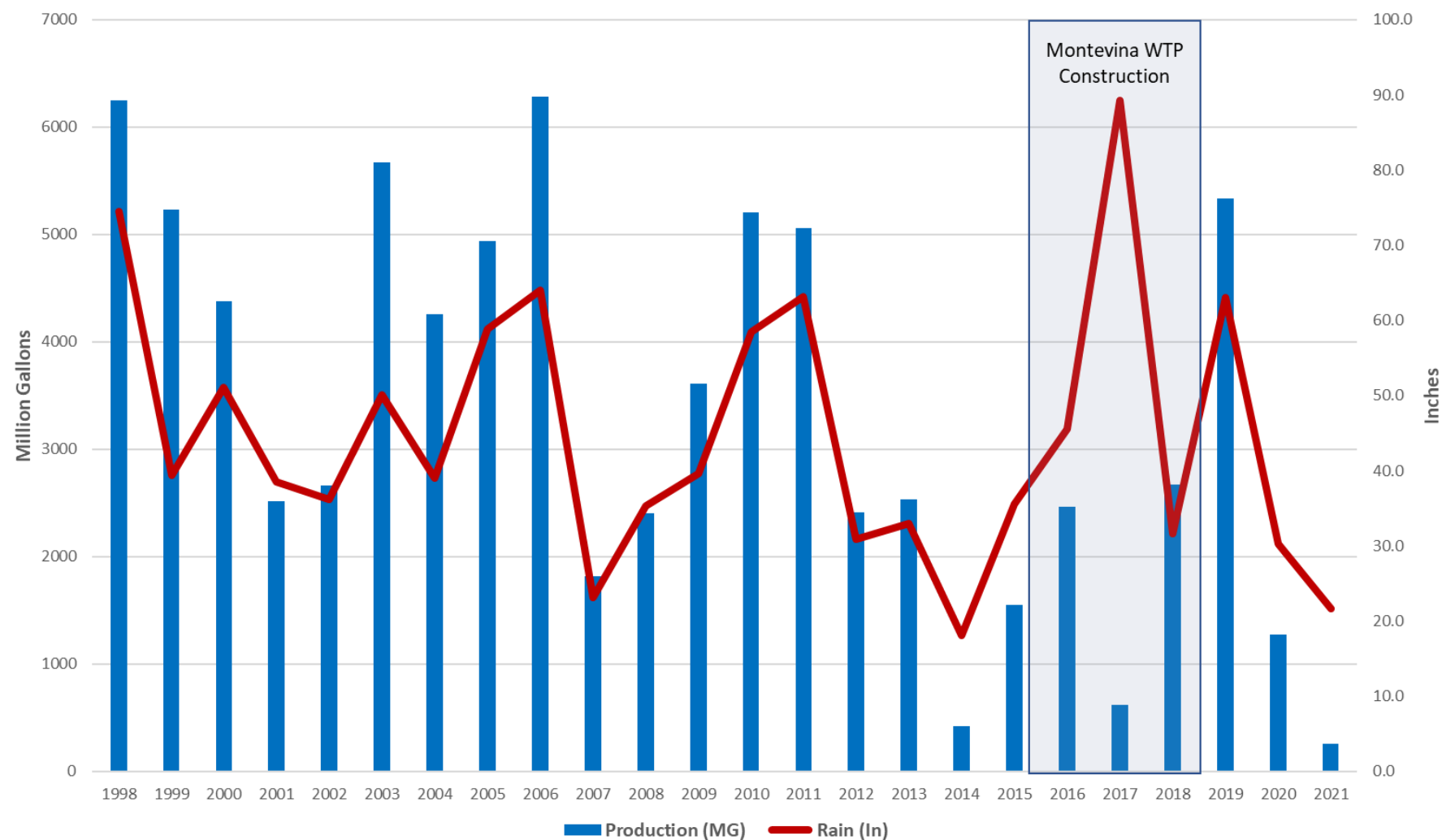
2020 – 38.7 Billion Gallons



*Surface water production reduced by Montevina WTP Construction, which occurred between 2016 and 2018 at a cost of more than \$60 million

Water Supply – Historic Surface Water Production vs. Rainfall

California



California

- Water Revenue Adjustment Mechanism (WRAM) eliminated by CPUC in future rate cases
- CPUC favors Water Rate Adjustment Mechanism (Monterey-WRAM)
- Tracks revenue in each rate tier against revenue at uniform rate
 - Resulting difference can be requested for recovery in next General Rate Case

M-WRAM Example

(Not based on actual rates or tiers)

Month	Usage (ccf)	Quantity Rate Tiers	Quantity Rate Uniform	Dollars at Tiers	Dollars at Uniform	Difference	Total
January	100	1.75	2.00	175.00	200.00	(25.00)	
	500	2.00	2.00	1,000.00	1,000.00	0.00	
	200	2.25	2.00	450.00	400.00	50.00	25.00

Emerging Water-Quality Issue

PFAS

- Used since the 1940s
 - Stain/grease repellant, nonstick cookware, firefighting foams, food packaging and more
- No federal “standard” or maximum contaminant level (MCL)
 - U.S. EPA “Health Advisory level” 70 parts per trillion for PFAS (combination PFOA and PFOS)
 - EPA developing MCL for PFOA and PFOS
- Some states, including Maine, adopting state-specific MCLs or standards
- PFAS can be removed through treatment

