

A photograph of a dense forest with tall, thin trees. Sunlight is streaming through the canopy, creating a warm, golden glow and long shadows. The foliage is lush green, with some hints of yellow. The bottom of the image is framed by a solid blue curved shape.

Financial Results Presentation Second Quarter 2023

SJW Group

On Today's Call



Eric 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 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.

Delivering on Our Growth Strategy in 2023

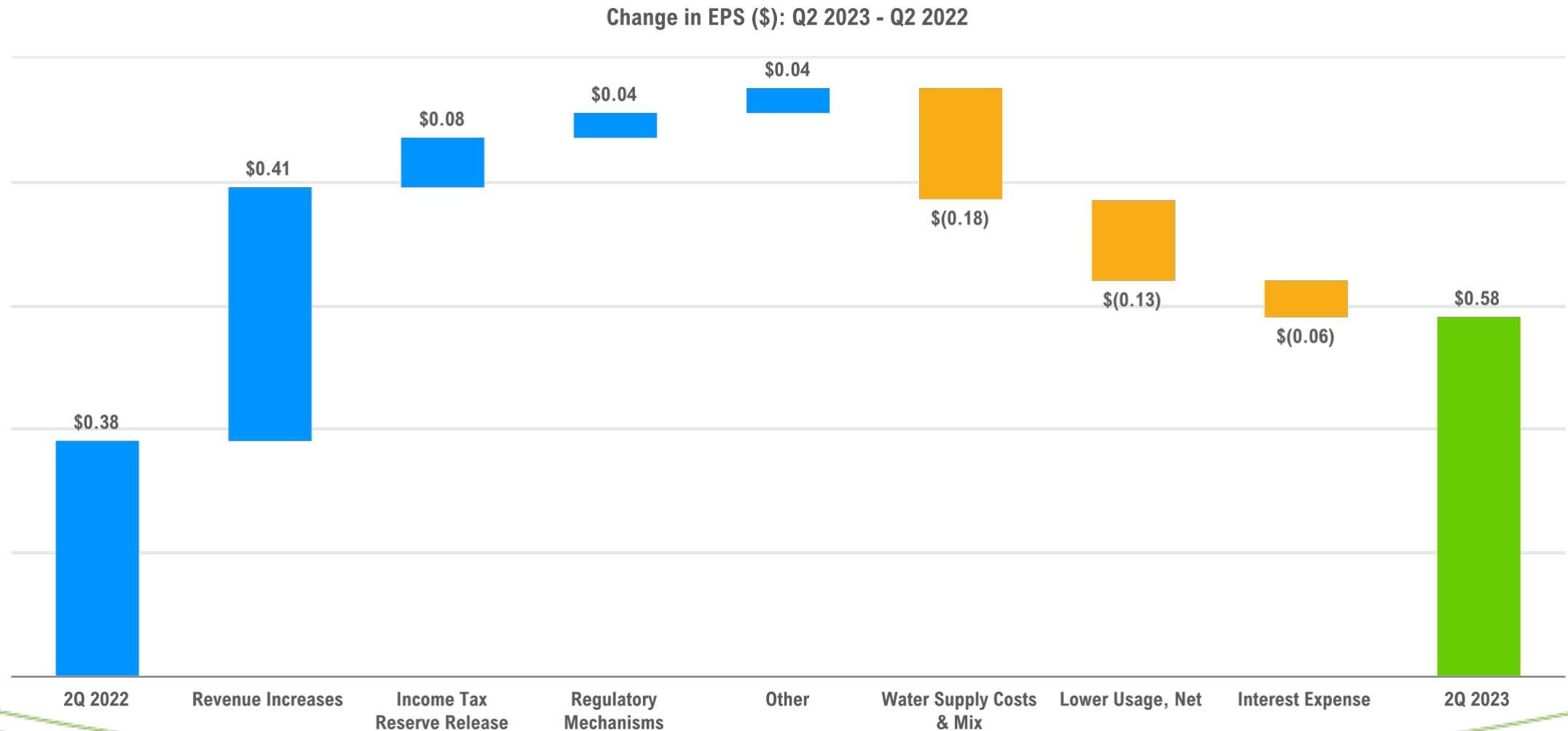
- Constructive regulatory outcomes
 - California Cost of Capital decision is balanced between the needs of customers and capital providers
 - Connecticut Water Infrastructure and Conservation Adjustment effective April 1
 - Texas KT Water Resources acquisition approved
- Future earnings growth will be driven by:
 - California Water Cost of Capital Mechanism raises return on equity to 9.31%
 - System improvement charge in Texas
 - General rate cases and infrastructure surcharge filings in Connecticut and Maine
- Capital expenditures
 - \$115.7 million invested YTD, or 45%, of \$255 million budgeted in 2023
- Progress on greenhouse gas emission reduction goal
 - California fleet 8% electrified and 24% on biofuels
- Delivered \$0.58 per diluted share in 2Q23

Financial Results: 2Q 2023

- Quarter-over-quarter results comparison was impacted by the delay in San Jose Water Company's 2022 to 2024 general rate case decision
- Revenues were impacted by lower usage in California, Maine and Texas
- Texas drought conservation measures in place will further reduce customer usage

IN MILLIONS except for earnings per share (EPS)	2Q 2023		2Q 2022	CHANGE
Revenue	\$156.9	↑	\$149.0	5% increase
Net Income	\$18.3	↑	\$11.6	58% increase
Diluted EPS	\$0.58	↑	\$0.38	53% increase

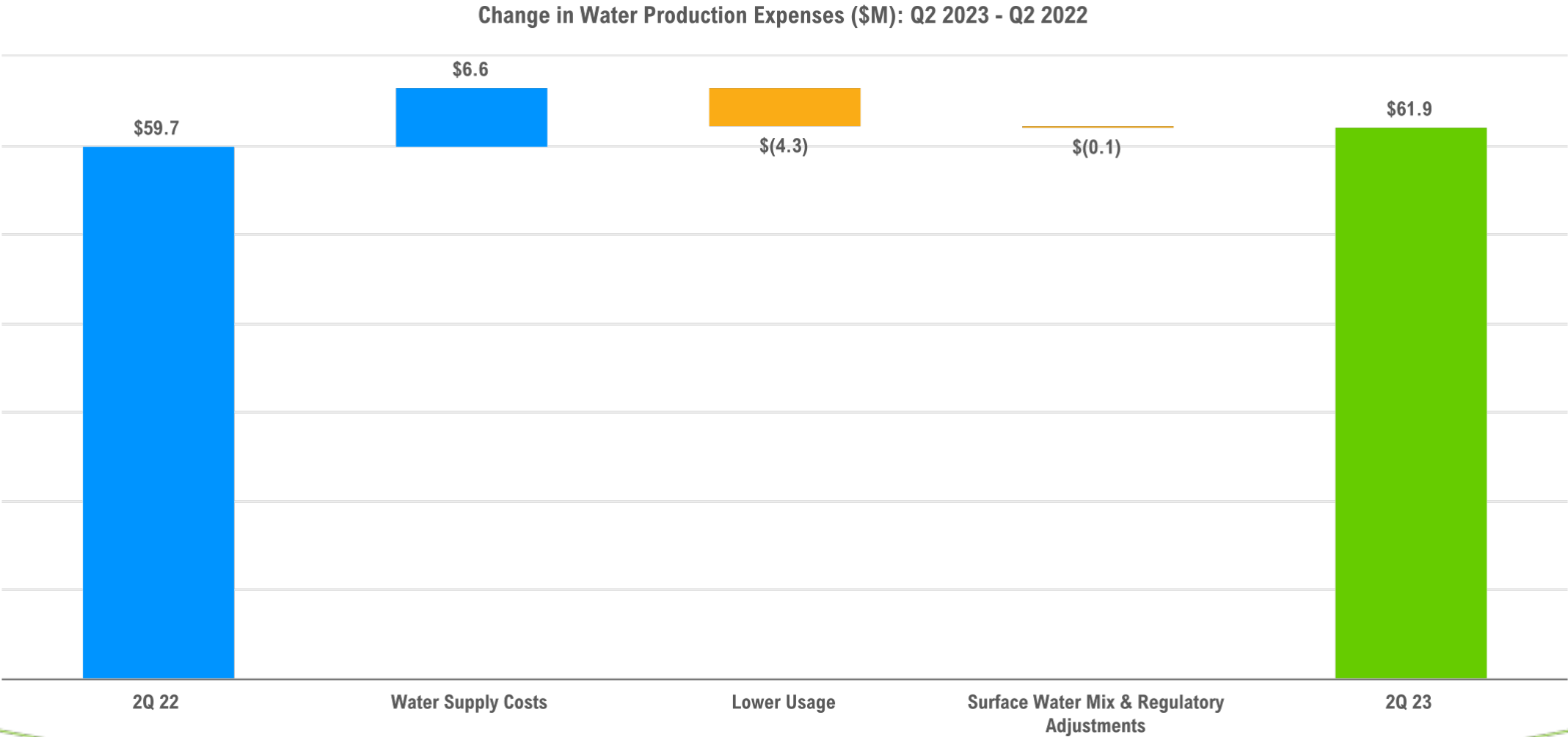
2Q 2023 Diluted EPS Bridge



Revenue Increased 5% From 2Q 2022

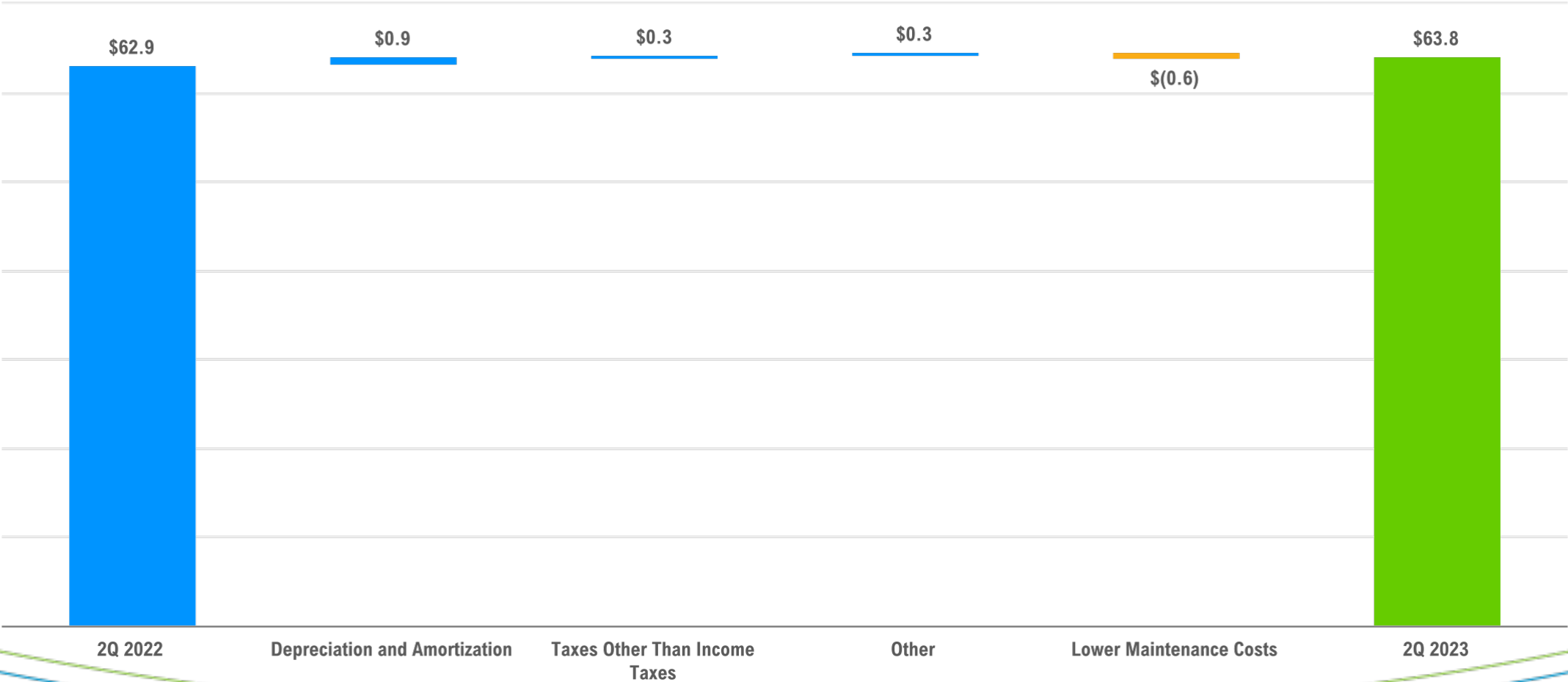


Water Production Expenses Increased 4% From 2Q 2022



Other Operating Expenses Increased 1% From 2Q 2022

Change in Other Operating Expenses (\$M): Q2 2023 - Q2 2022



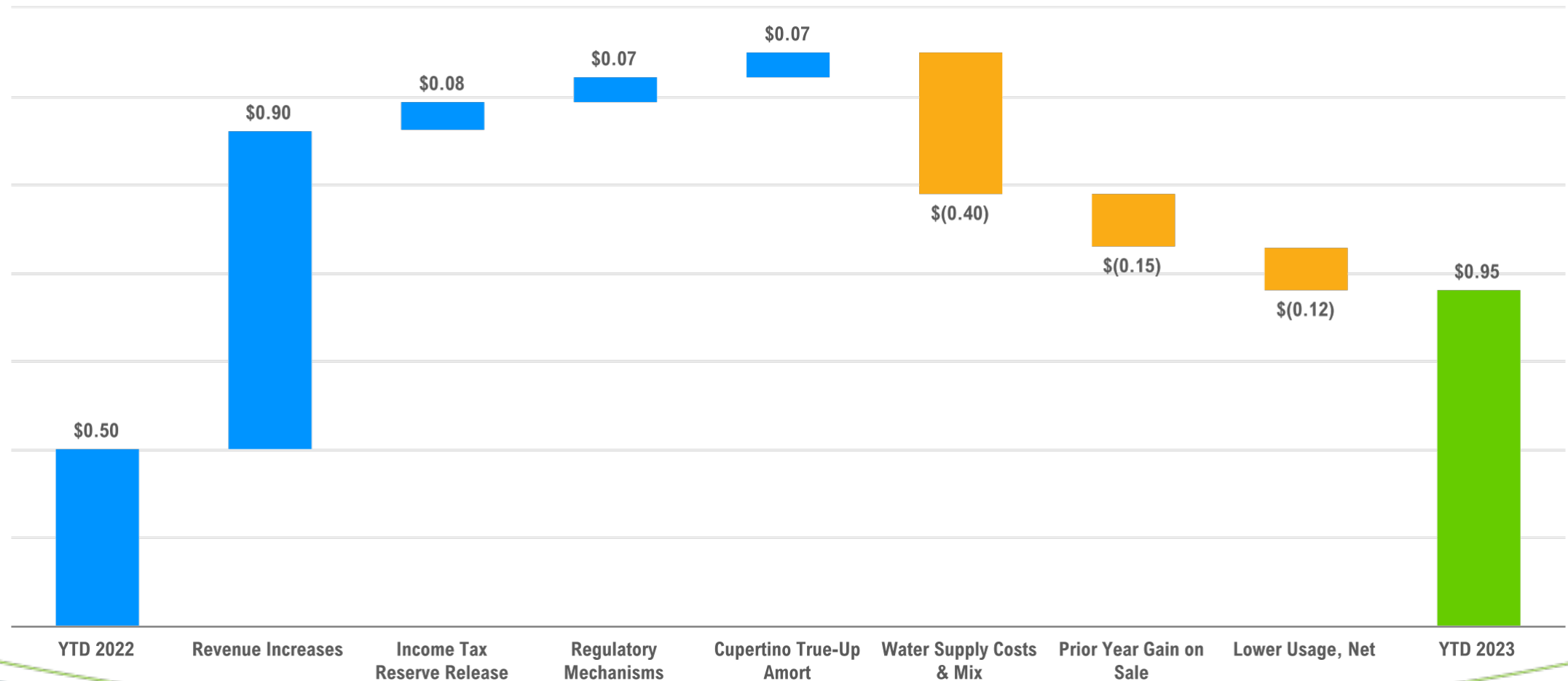
Financial Results: YTD 2023

- Year-to-date results comparison was impacted by the delay in San Jose Water Company's 2022 to 2024 general rate case decision
- Revenues were impacted by lower usage in California, Maine and Texas

IN MILLIONS except for earnings per share (EPS)	YTD 2023		YTD 2022	CHANGE
Revenue	\$294.2	↑	\$273.3	8% increase
Net Income	\$29.8	↑	\$15.3	95% increase
Diluted EPS	\$0.95	↑	\$0.50	90% increase

YTD 2023 Diluted EPS Bridge

Change in EPS (\$): YTD 2023 - YTD 2022



2023 YTD Financing Activity and Income Tax Rate

- \$65.0 million in equity issued at the market
 - \$23.3 million in 2Q
 - Raised \$50 million target for general corporate purposes
 - Additional amount raised for acquisitions expected to close in 3Q23
- \$266.7 million available on bank lines of credit, and \$83.3 million drawn
- 5.96% average borrowing rate on credit advances in 2023, 1.44% in 2022
- Effective income tax rate (1)% in 2023 and 18% in 2022



California Updates

- Cost of Capital decision for years 2022 - 2024
 - California Public Utilities Commission (CPUC) final decision issued on June 29, 2023
 - Prospective decision maintains previously authorized Water Cost of Capital Mechanism (WCCM)
 - Establishes capital structure of 54.55% equity and 45.45% debt
 - Sets rate of return at 7.28% based on 8.80% return of equity (ROE)
- WCCM trigger
 - Moody's Aa utility bond index rate varies >100 basis points between October 1 and September 30
 - ROE is adjusted by 50% of the change when the trigger is reached



2023 WCCM adjustment of 51 basis points

Advice Letter filed June 30

WCCM-adjusted rates
expected July 31, 2023

Return on Equity - 9.31%
Cost of Debt - 5.26%
Rate of Return - 7.47%

California Updates

- Drought
 - End of mandatory conservation on April 11, 2023
 - End of temporary revenue protections: Water Conservation Memorandum Account (WCMA) and Water Conservation Expense Memorandum Account (WCEMA)
 - 20 bps ROE reduction related to WCMA and WCEMA restored
 - Voluntary call for 15% conservation issued by wholesale supplier
 - Filing for continuation of WCMA and WCEMA pending before the CPUC
- Water supply benefiting customers
 - Surface water production from owned sources was 3.0 billion gallons through June 30, 2023
 - 204% of 5-year average
 - Benefits customers by avoiding more costly purchased water



Water Supply Status as of June 30, 2023

Lake Elsan at 97% of its
storage capacity

189% of its 5-year average

Rainfall at Lake Elsan
82.5 inches July 2022
through June 2023
224% of the 5-year
average

Connecticut Updates

- Water Infrastructure and Conservation Adjustment (WICA)
 - Filed for a 1.19% increase in WICA with Public Utilities Regulatory Authority on July 27, 2023
 - \$11.5 million in completed projects
 - \$1.3 million increase in annualized revenue
 - Decision and effective date expected in 4Q23
- General rate case (GRC) filing planned for 4Q23



Connecticut Water WICA

6.19% cumulative WICA as of June 30, 2023

7.38% if July 2023 filing is approved as filed

Annual cap on WICA: 5%
Cap between GRCs: 10%

WICA rolled into base rates during GRCs and surcharge reset to zero

Maine Updates

- Filed with Maine Public Utilities Commission for a temporary rate increase of \$1.5 million in the Biddeford Saco division on July 3, 2023
 - Related to the step three rate filing on March 31, 2023
 - Requests annualized revenue increase of \$2.9 million over 2 years
 - Reflects actual operating expense of new \$60 million facility and increased financing costs
 - Temporary increase requested is uncontested amount between Maine Water and the Office of Public Advocate
 - Anticipating decision on total \$2.9 million increase in 4Q23
- GRCs planned in two additional divisions in 2023



Maine Water WISC

Water Infrastructure
Surcharge (WISC) filed in
Camden Rockland Division

\$1.7 million in completed,
eligible infrastructure projects

Will generate \$158,000 in
annualized revenues if
approved as filed

Texas Updates

- KT Water Development acquisition approved by Public Utilities Commission of Texas (PUCT) on July 24, 2023
 - 570 connections, fair market value and applied rate doctrine treatments requested
 - Closing expected in 3Q23, final decision in 4Q23
- Application filed to acquire the Elm Ridge water system
 - 21 residential customers and filed rate doctrine treatment requested
- System improvement charge application progressing
 - \$1.6 million in annualized revenue if approved as filed; decision expected by 1Q24
- Drought driving 20% - 25% water use reduction goal
- Connections quadrupled since 2007
 - Serves three of the five fastest-growing counties in the U.S.¹
 - >26,000+ water connections and 900 wastewater connections

The logo for Texas Water Company, featuring the words "TEXAS" and "WATER" in blue, with "COMPANY" in smaller blue letters below "TEXAS". A green outline of the state of Texas is positioned between "TEXAS" and "WATER", and a blue wavy line representing water is below "WATER".

San Antonio Water System (SAWS)/Texas Water Service Area Transfer

PUCT approved transfer of 520 acres of water and 314 acres of wastewater from SAWS to Texas Water

No customers transferred

Developer interest in up to 1,500 water and wastewater customers

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

Guidance

Guidance	2023
Diluted EPS	\$2.40 - \$2.50 ¹
5-Year CapEx	\$1.6B ²
Equity Issuance, excluding acquisition growth	\$40 - \$50 million

- Equity issuance of \$65 million YTD, includes equity raised for acquisitions
- Factors underlying 2023 guidance:
 - No significant rate cases expected in 2023
 - Continued inflation affecting interest costs, labor costs and other expenses
 - Usage recovery associated with end of mandatory conservation in California and normal weather in California, Maine and Texas
 - Change in effective tax rates
- 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 5-year CapEx includes approximately \$230 million for PFAS treatment.

PFAS Update

- Supporting U.S. EPA's proposed standard for per- and polyfluoroalkyl substances (PFAS) in drinking water
- Part of class action settlements against PFAS manufacturers for approximately \$11.5 billion
- Advocating that all affected water and wastewater utilities have access to available federal and state funding for treatment
- Current CapEx estimate for treatment at EPA's proposed maximum contaminant levels:
 - Approximately \$110 million in California
 - Approximately \$120 million in Connecticut



ESG Updates and Awards

- Fleet vehicle electrification and EV charges
- Battery storage to replace diesel generator
- Expanded use of biodiesel fuel
- ESG scores from Institutional Shareholder Services (1 is best)
 - Environment – 5; tied for second among U.S. water utility peers
 - Social – 4; third among U.S. water utility peers
 - Governance – 2
 - B corporate rating – Prime Status



Battery electric vehicle and EV charging station at Connecticut Water office in Clinton

Committed to Being a Force for Good

Providing an essential service with integrity and reliability

- Miami Beach water system, Old Lyme, Connecticut
 - 118 customers
 - Acquired by Connecticut Water in September 2022
 - System out of compliance with drinking water regulations since 2016
 - Brought into full compliance in less than nine months



Appendix

2023 Regulatory Filings Pending and Approved

State	Docket #	Type*	Filing Date	Order Date	Status	Revenue Requested (annualized)	Revenue Approved (annualized)	Comments
CA	AL 586	GRC	11/18/22	—	Effective 01/01/23	\$18.4M	\$18.4M	
CA	A2105004	Cost of Capital	05/03/21	06/29/23	Effective 07/31/23	(\$400K)	(\$400K)	Sets ROE, debt cost and cap structure
CA	AL 596	Wholesale Water Offset	05/31/23	—	Effective 07/1/23	\$27.6M	\$27.6M	
ME	2023-00065	GRC Biddeford Saco 3	03/31/23	—	2-step approval Q4	\$2.9M	—	2 Year Phase-In Proposal
ME	2022-00056	GRC Camden-Rockland	02/28/22	02/02/23	Effective 01/01/23	\$233K	\$233K	
ME	2022-00057	GRC Freeport	02/28/22	02/02/23	Effective 01/01/23	\$82K	\$82K	
ME	2022-00058	GRC Millinocket	02/28/22	02/02/23	Effective 01/01/23	\$267K	\$267K	
ME	2022-00059	GRC Oakland	02/28/22	02/23/23	Effective 01/01/23	\$110K	\$110K	
ME	2022-00321	WISC Greenville	10/26/22	11/29/23	Effective 02/01/23	\$16K	\$16K	

* GRC= General Rate Case; WISC = Water Infrastructure Surcharge; WICA= Water Infrastructure and Conservation Adjustment; SIC= System Improvement Charge

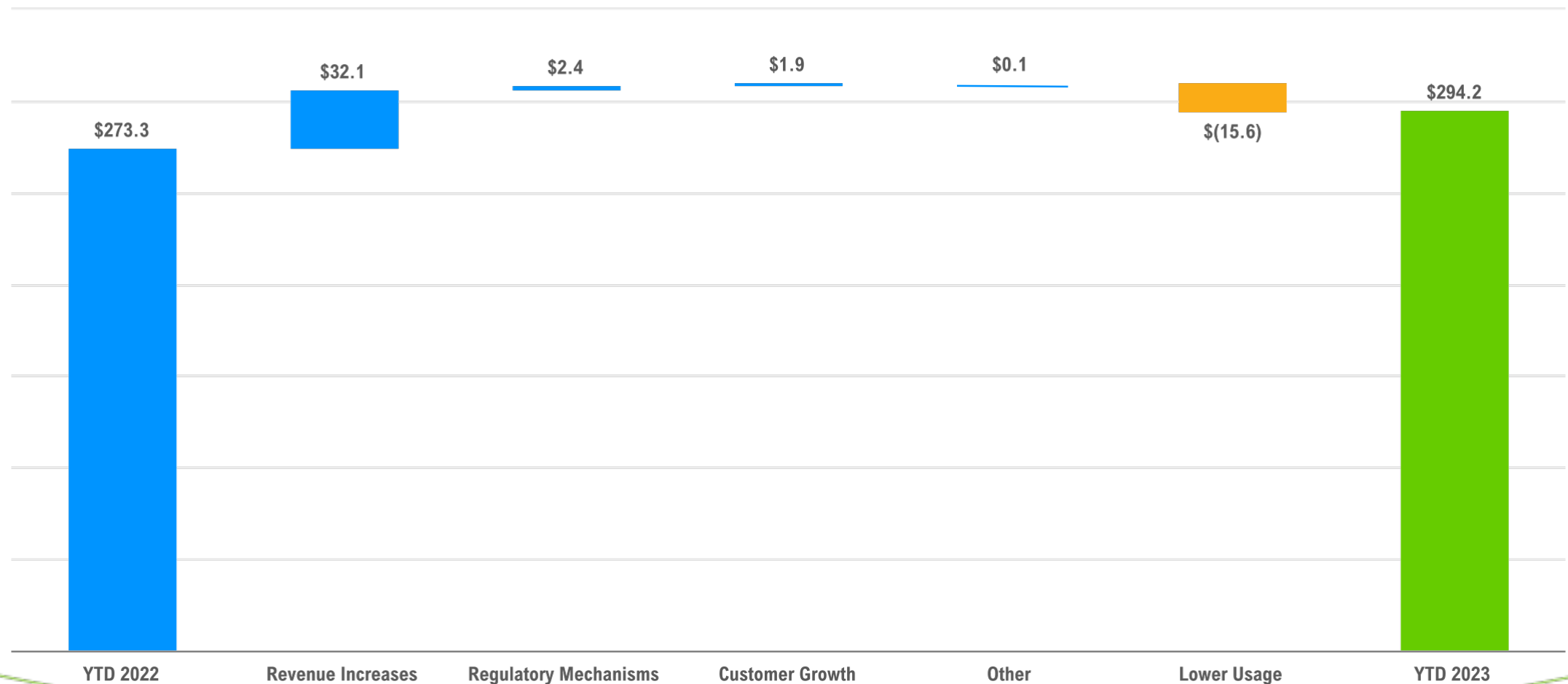
2023 Regulatory Filings Pending and Approved cont'd

State	Docket #	Type*	Filing Date	Order Date	Status	Revenue Requested (annualized)	Revenue Approved (annualized)	Comments
CT	20-12-30WI05	WICA	01/26/23	03/22/23	Effective 04/01/23	\$3.3M	\$3.3M	\$27.8M of investment
CT	20-12-30WI04	2022 WICA Rec.	01/25/23	03/29/23	Effective 04/01/23	\$(173K)	\$(173K)	Reconciles 2022 over 12 mos.
TX	54283	SAWS CCN Transfer	10/28/22	06/15/23	Approved on 06/15/23	—	—	Added 520 acres to water CCN and 314 acres to sewer CCN
TX	54530	Acquisition – KT Water	01/03/23	—	Administratively complete by PUCT on 03/07/23	—	—	575 Connections; fair market value and filed rate doctrine
TX	54840	Acquisition – Elm Ridge	04/10/23	—	Administratively complete by PUCT on 05/10/23	—	—	21 connections; filed rate doctrine
TX	55197	Kendall West Water Pass-Through Charge	06/30/23	—	Effective 08/01/23	\$315K	—	Pass-through charge increasing from \$2.56 to \$5.30 per 1,000 gallons
TX	54612	Canyon Lake Water Pass-Through Charge	01/31/23	—	Effective 03/01/23	\$130K	—	Pass-through charge increasing from \$0.90 to \$1.03 per 1,000 gallons
TX	54430	SIC	12/30/22	—	Q3'23-Q1'24	\$1.6M	—	\$14.8M in completed projects
						\$55.4M		

* GRC= General Rate Case; WISC = Water Infrastructure Surcharge; WICA= Water Infrastructure and Conservation Adjustment; SIC= System Improvement Charge

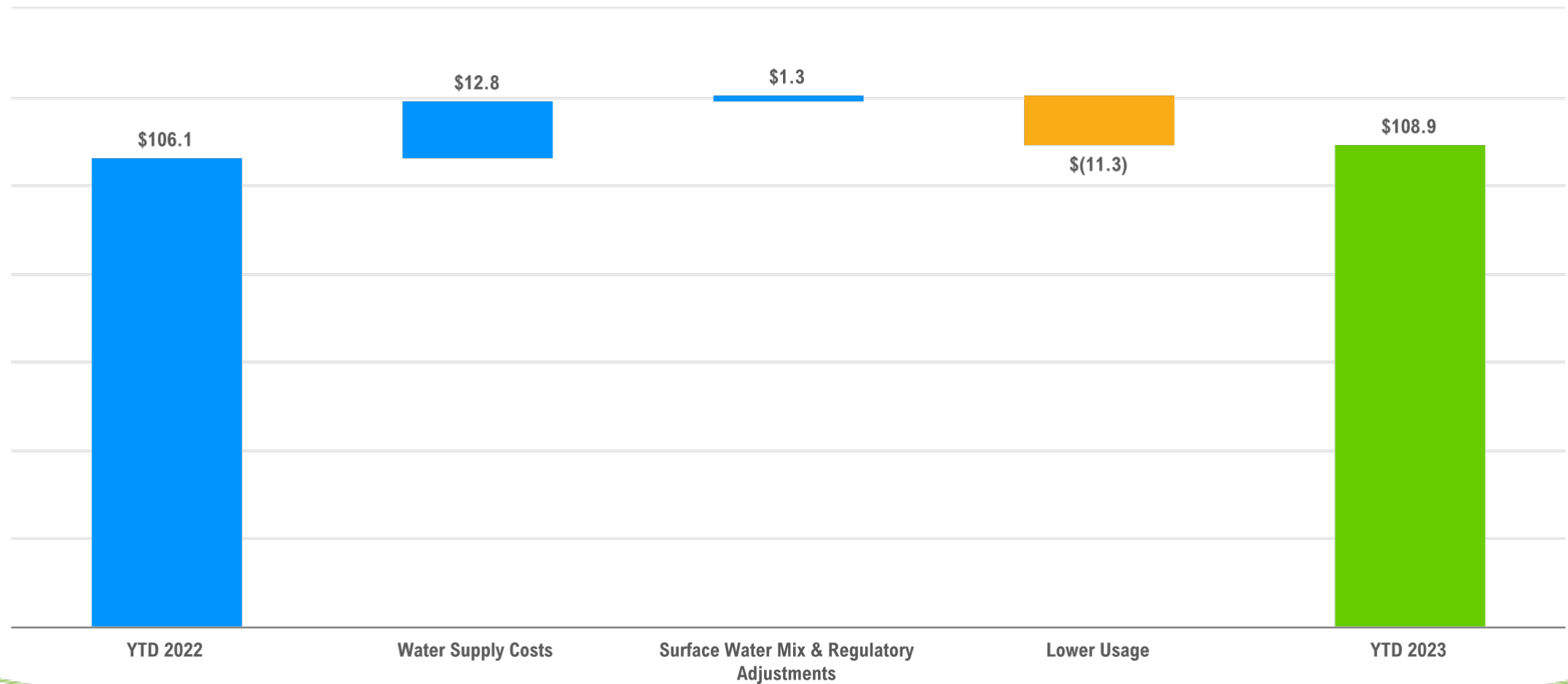
YTD Revenue Increased 8%

Change in Revenue (\$M): YTD 2023 - YTD 2022



YTD Water Production Expenses Increased 3%

Change in Water Production Expenses (\$M): YTD 2023 - YTD 2022



YTD Other Operating Expenses Increased 4%

Change in Other Operating Expenses (\$M): YTD 2023 - YTD 2022

