



Financial Results Presentation
First 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. 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.

Delivered on Our Earnings Growth Strategy in 1Q

- **Constructive Regulatory Outcomes**
 - Maine Water Biddeford-Saco Division general rate case (GRC)
 - Texas system improvement charge
- **Capital Expenditure (CapEx)**
 - \$69 million invested year to date, or approximately 21% of \$332 million budgeted in 2024
- **Advanced Cost Reduction**
 - National scale leveraged in procurement
- **Created Shareholder Value**
 - \$0.36 per diluted share in 1Q
- **Progress on Being a Force for Good**

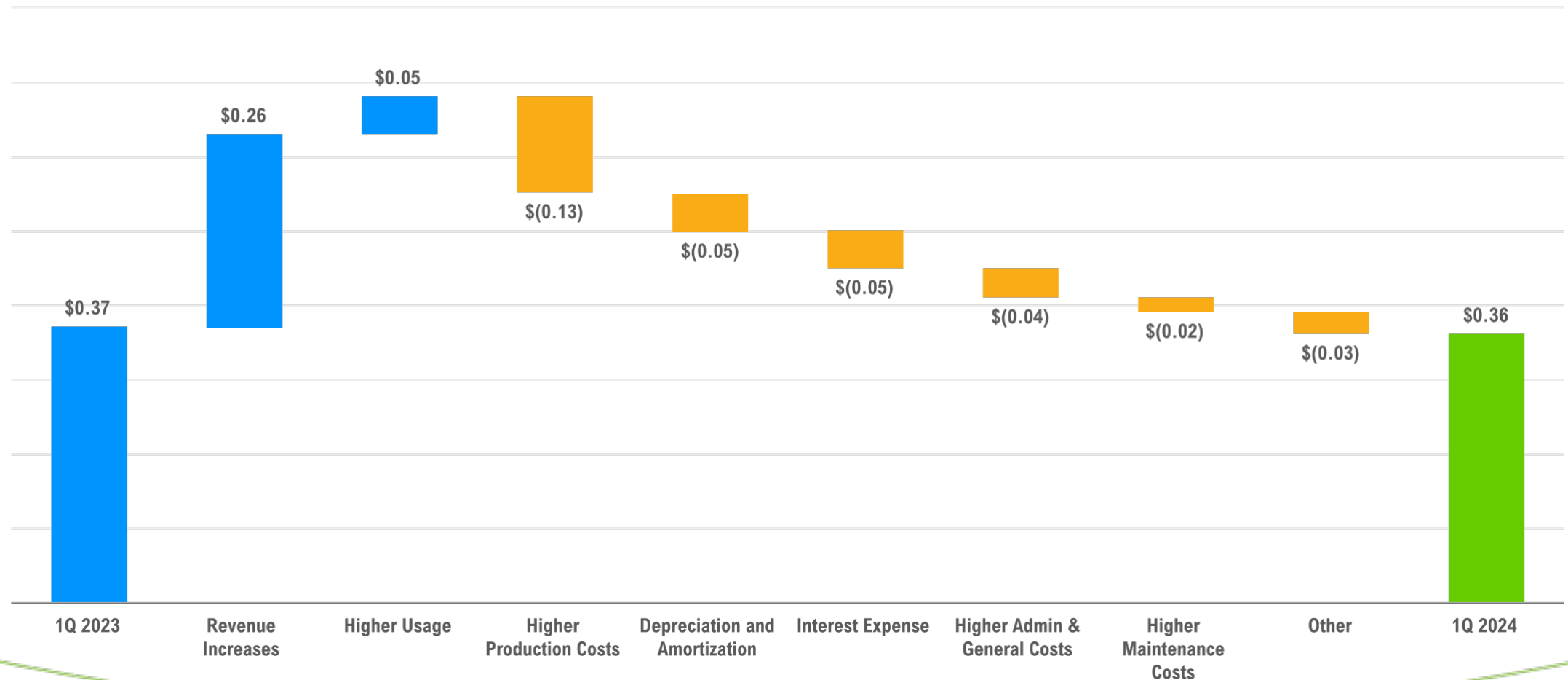
Financial Results: 1Q 2024

- Rate increases were the largest contributor to the increase in revenue
- Connecticut and California have usage revenue protection mechanisms
- Higher water production expenses

IN MILLIONS except for earnings per share (EPS)	1Q 2024		1Q 2023	CHANGE
Revenue	\$149.4	↑	\$137.3	9% increase
Net Income	\$11.7	↑	\$11.5	1% increase
Diluted EPS	\$0.36	↓	\$0.37	3% decrease

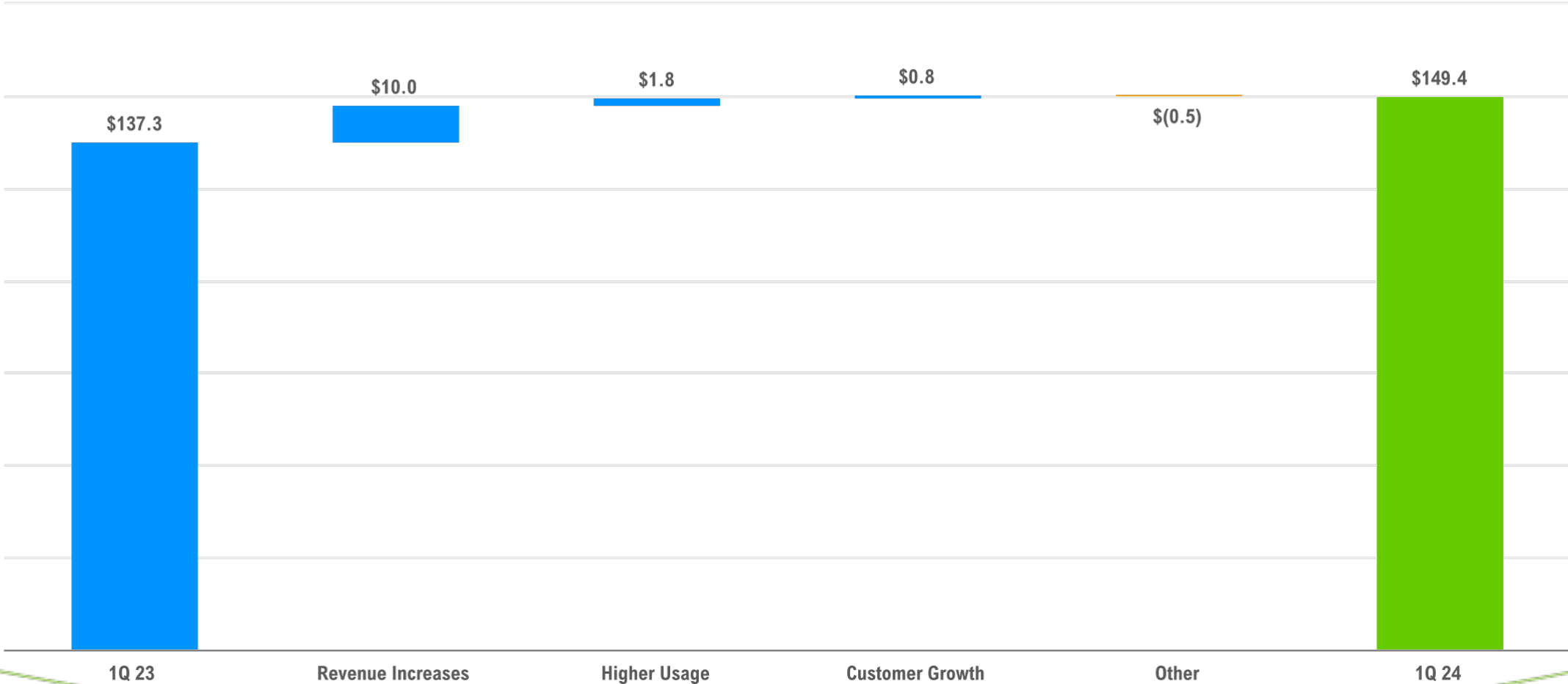
1Q 2024 Diluted EPS Bridge

Change in EPS (\$): Q1 2024 - Q1 2023



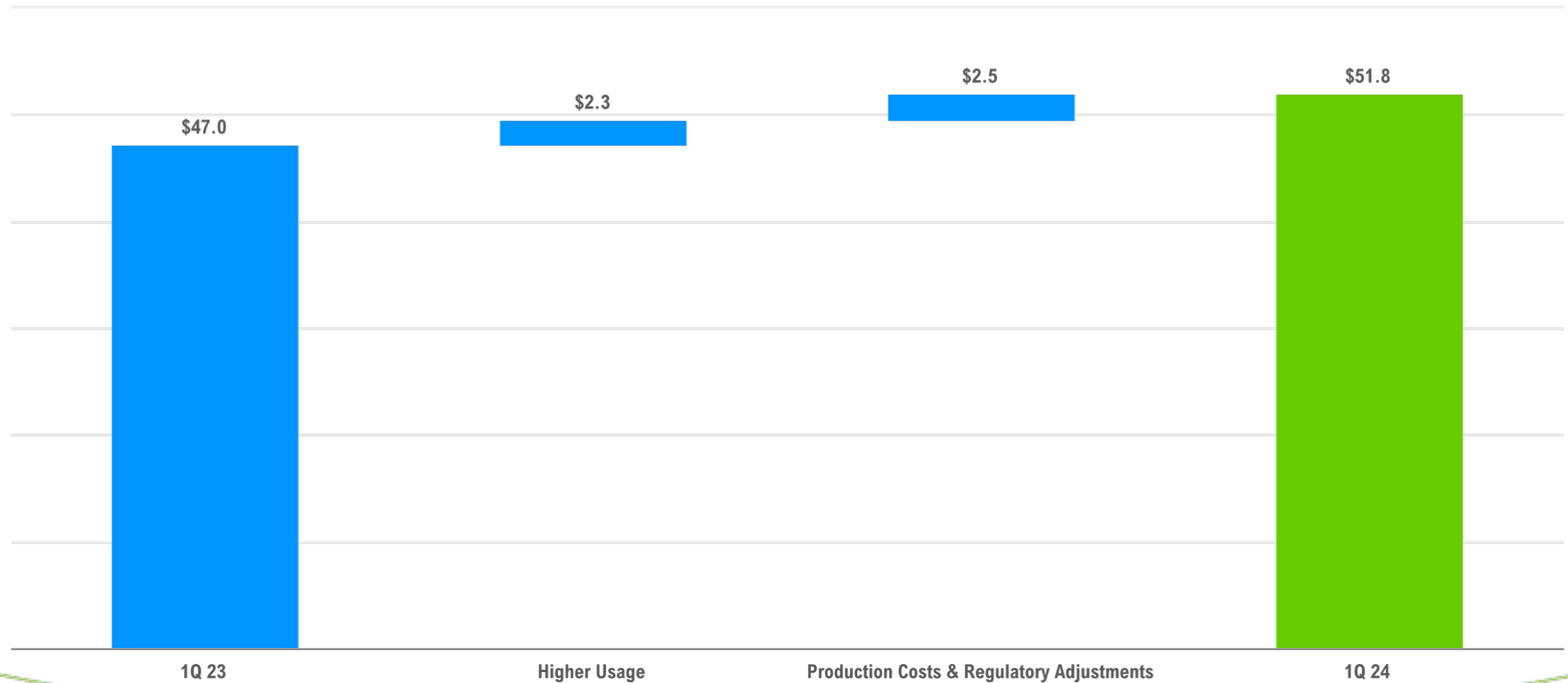
Revenue Compared to 1Q 2023

Change in Revenue (\$M): Q1 2024 - Q1 2023



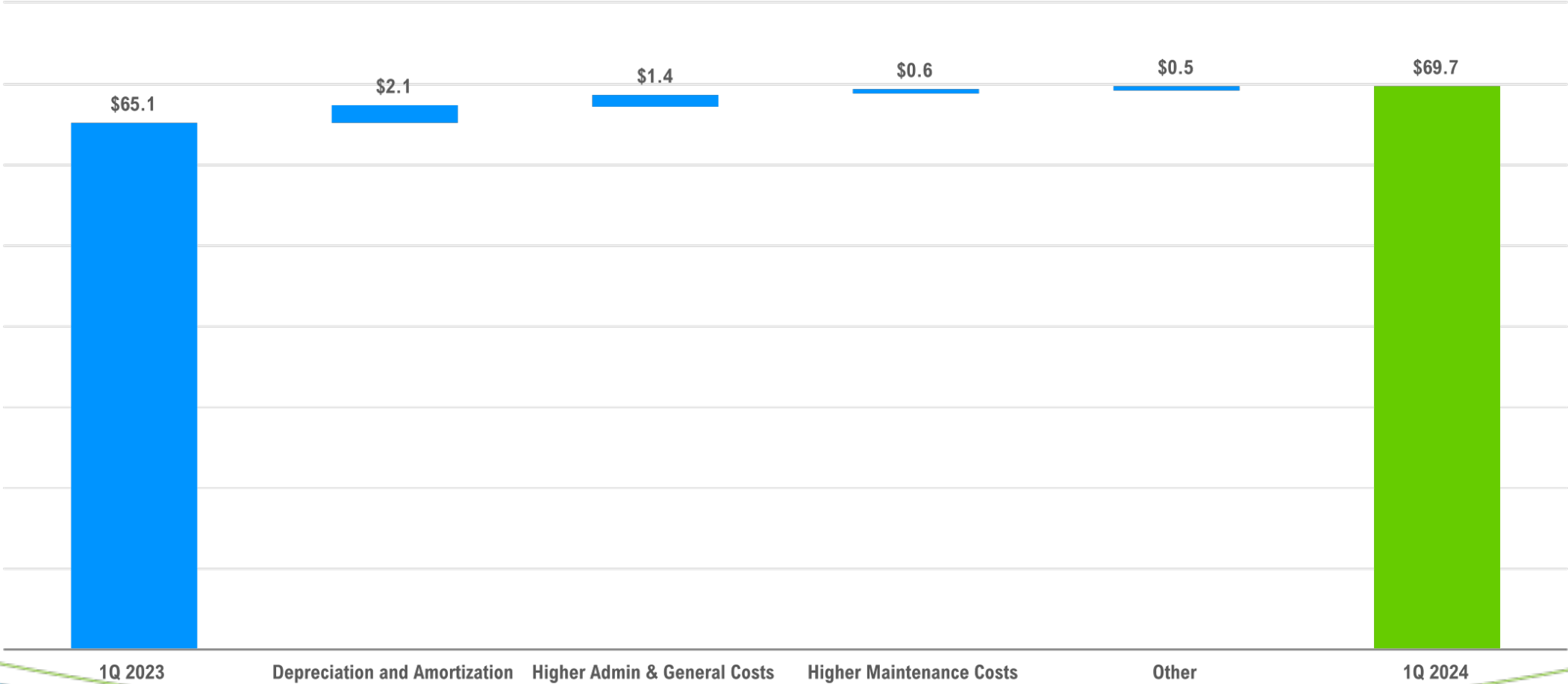
Water Production Expenses Increased 10% From 1Q 2023

Change in Water Production Expenses (\$M): Q1 2024 - Q1 2023



Other Operating Expenses Increased 7% From 1Q 2023

Change in Other Operating Expenses (\$M): Q1 2024 - Q1 2023



1Q 2024 Financing Activity and Income Tax Rate

- Approximately \$7 million in equity issued at the market in 1Q 2024
- \$350 million bank lines of credit, \$211 million drawn, leaving \$139 million available
- 6.54% average borrowing rate on credit advances in 1Q 2024, 5.74% in 1Q 2023
- Effective income tax rate 16% in 1Q 2024, 9% in 1Q 2023



California Updates

- 2025 - 2027 GRC application filed with the California Public Utilities Commission (CPUC) on January 2, 2024
 - Proposes three-year \$540 million CapEx program
 - Addresses per- and polyfluoroalkyl substances (PFAS)
 - Reduces operating expense and greenhouse gas emissions through solar generation, energy storage systems to replace diesel generators, fleet electrification and advanced acoustic leak detection
 - Advances CPUC's Environmental and Social Justice Action Plan to improve access to high-quality water service, climate resiliency, and economic and workforce development
- Group Insurance Balancing Account
 - Captures difference between authorized and actual medical, dental and opt-out insurance costs
 - Effective January 1, 2024



GRC Schedule

Application filed with CPUC on January 2, 2024

Sets rates for 2025, 2026 and 2027

Anticipated 12-month review

CPUC will determine final rates after comprehensive review process

Decision expected in 4Q 2024

New rates anticipated January 1, 2025

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 WCCM for 2025
- Advanced Metering Infrastructure (AMI) installation 2024 - 2026
 - \$27 million investment projected in 2024
 - Approximately \$100 million project outside the GRC CapEx



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

- Filed GRC with Public Utilities Regulatory Authority (PURA) on October 3, 2023
 - Requesting \$21.4 million, or 18.1%, annualized revenue increase
 - Proposing expansion of customer assistance programs
 - Decision expected in late June 2024



Water Infrastructure and Conservation Adjustment (WICA)

7.41% cumulative WICA as of April 1, 2024

Annual cap on WICA: 5%

Cap between GRCs: 10%

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

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 (OPA) on the Biddeford-Saco Division (BSD) 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
- \$158,000 increase in annualized WISC revenues authorized and effective in the Camden-Rockland Division on March 22, 2024



Biddeford-Saco Division GRC

Application filed requesting
\$2.9 million revenue increase
in March 2023

\$1.5 million in temporary
rates authorized in August
2023

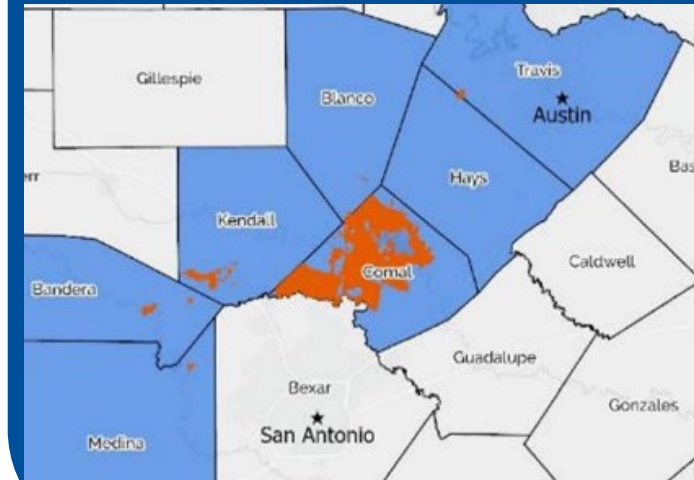
On January 5 2024, the
MPUC approved the
stipulation agreement
reached with OPA

Texas Updates

- Strong developer interest in our service area
 - ~22,000¹ outstanding development units (potential connections)
- Serves three of the five fastest-growing counties in the U.S.²
 - >28,000 water connections and 1,000 wastewater connections
 - Connections quadrupled since 2006
- 3009 water system
- System improvement charge
 - Approximately \$1.6 million application approved on March 21, 2024
- Portions of service areas in moderate to severe drought

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



¹ Assumes a build-out of 10 years or longer

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

2024 Guidance Reaffirmed

Guidance	2024
Diluted EPS	\$2.68 - \$2.78
Equity issuance, excluding acquisition growth	\$55M - \$65M
Five-Year CapEx	\$1.6B ²

**2024
EPS Forecast
\$2.68 - \$2.78¹**

- Factors underlying 2024 guidance:
 - ROE increase in California from 9.31% to 9.81% (net of a 20 bps reduction for reimplementation of the 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
 - Guidance range consistent with long-term growth rate
 - 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

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



Force for Good

- Scope 1 and Scope 2 greenhouse gas emissions reduced 20% from 2019 to 2022
- USA Today awards Connecticut Water as a Top Workplace USA for 2024
 - Only two water utilities recognized
- Named to the 2024 Newsweek Excellence Index
 - Highest-ranked water utility



Welcome and Thank You

California Public Utilities Commission

- Commissioner Matt Baker
- Commissioner Genevieve Shiroma

San Jose Water Company

- Tanya Moniz-Witten, President

SJW Group

- Nazan Riahei, Vice President, Corporate Communications



Tanya Moniz-Witten



Nazan Riahei



Questions

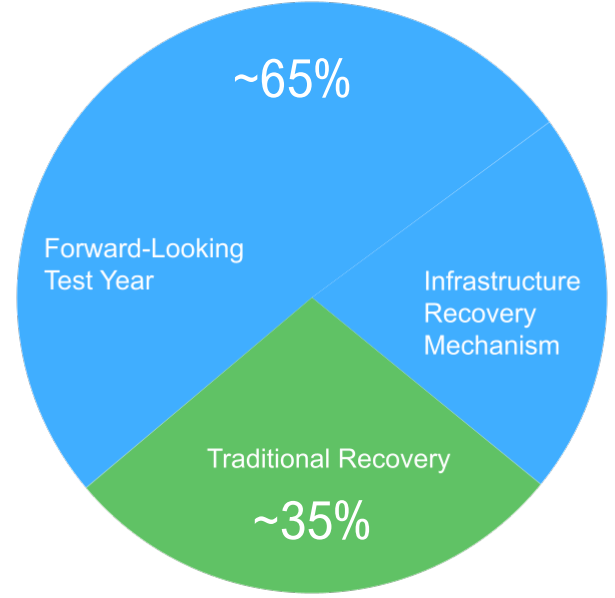


Appendix

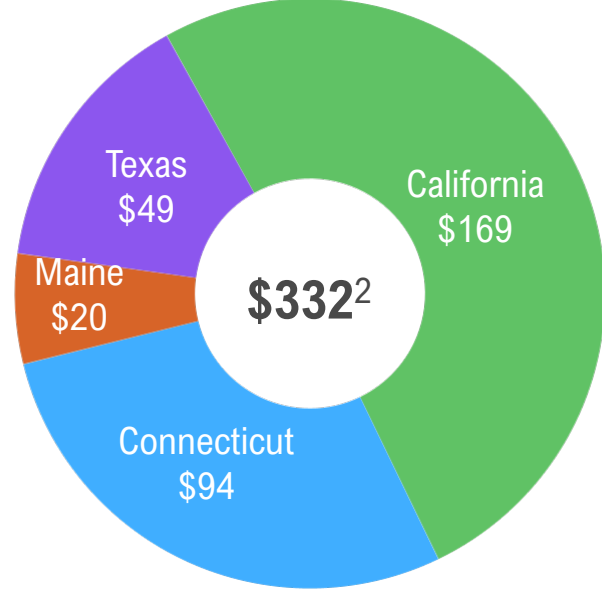
Meeting Long-Term Investment Needs

\$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 \$29 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 05/1/24 Maintains WCCM for 2025
CA	24-01-001	GRC	01/02/24					GRC for 2025, 2026 and 2027 rates
CT	23-08-32	GRC	10/03/23	--	To be effective 07/01/24	\$21.4M	--	18.1% increase; 10.5% ROE
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	
TX	54430	System Improvement Charge	12/30/22	03/21/24	Effective 03/21/24	\$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

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