



# 2024 Financial Results Presentation

*SJW Group*

# On Today's Call



Eric W. Thornburg  
Chair, President  
and CEO

Andrew Walters  
Chief Financial Officer  
and Treasurer

Bruce A. Hauk  
Chief Operating Officer

# Forward-Looking Statements

## Safe Harbor

This presentation contains forward-looking statements within the meaning of the federal securities laws relating to future events and future results of SJW Group and its subsidiaries that are based on current expectations, estimates, forecasts, and projections about SJW Group and its subsidiaries and the industries in which SJW Group and its subsidiaries operate and the beliefs and assumptions of the management of SJW Group. 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,” “approximately,” “strategy,” 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. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements.

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 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 undertakes 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.

# Delivering on Our Earnings Growth Strategy in 2024

- **Regulatory Progress**
  - Constructive outcome in San Jose Water 2025 to 2027 general rate case and deferral of cost of capital filing until 2026
  - Increase in infrastructure recovery mechanism in Maine and filed a petition to unify Maine's ten rate districts
  - Record year of recovery through Connecticut's Water Infrastructure and Conservation Adjustment
  - First system improvement charge (SIC) approved in Texas, second 'SIC' filed in the third quarter
- **Capital Expenditure (CapEx)**
  - \$353 million invested in 2024 in water and wastewater utility infrastructure
- **A Force for Good**
  - SJW Group named one of America's Most Responsible Companies 2025
- **Creating Long-term Shareholder Value**
  - \$2.87 per diluted share (GAAP) in 2024 or \$2.95 per adjusted diluted share (non-GAAP)<sup>1</sup>

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

# Work Smarter, Not Just Harder

- Challenges:
  - Aging pipe and other infrastructure
  - Evolving regulatory requirements
  - Climate change
  - Water system resiliency
- Our Approach:
  - Long-term investment strategy
  - Financial discipline and steadfast commitment to affordability
  - Leverage our scale, operational efficiencies, and technology



# Financial Update

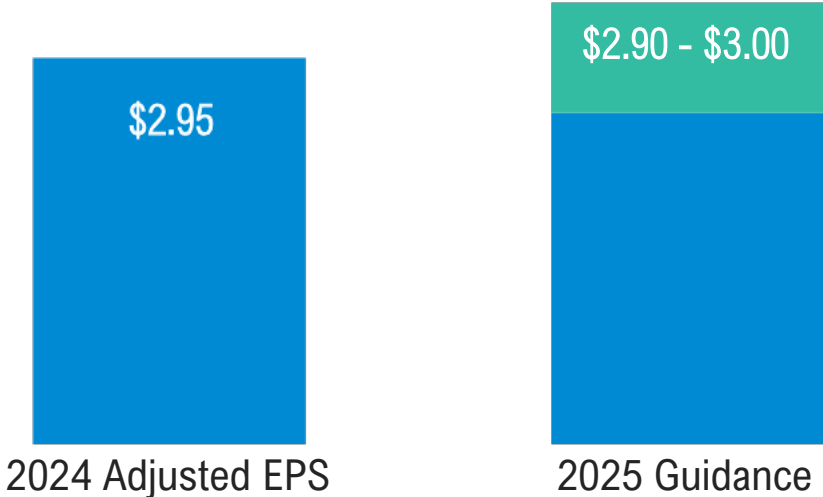


Andrew Walters  
Chief Financial Officer and Treasurer

# Financial Highlights

2024 EPS  
\$2.87 GAAP / \$2.95 Adjusted

Adjusted Earnings Per Share



\$2.0 billion<sup>1</sup>  
5-year CapEx Plan  
~25% Increase from prior CapEx plan

Extending 5% - 7% Earnings Growth  
through 2029  
Nonlinear and anchored off 2022  
reported EPS of \$2.43

<sup>1</sup> Includes expenditures for cloud-based systems recorded as deferred assets

# 2024 Financial Results

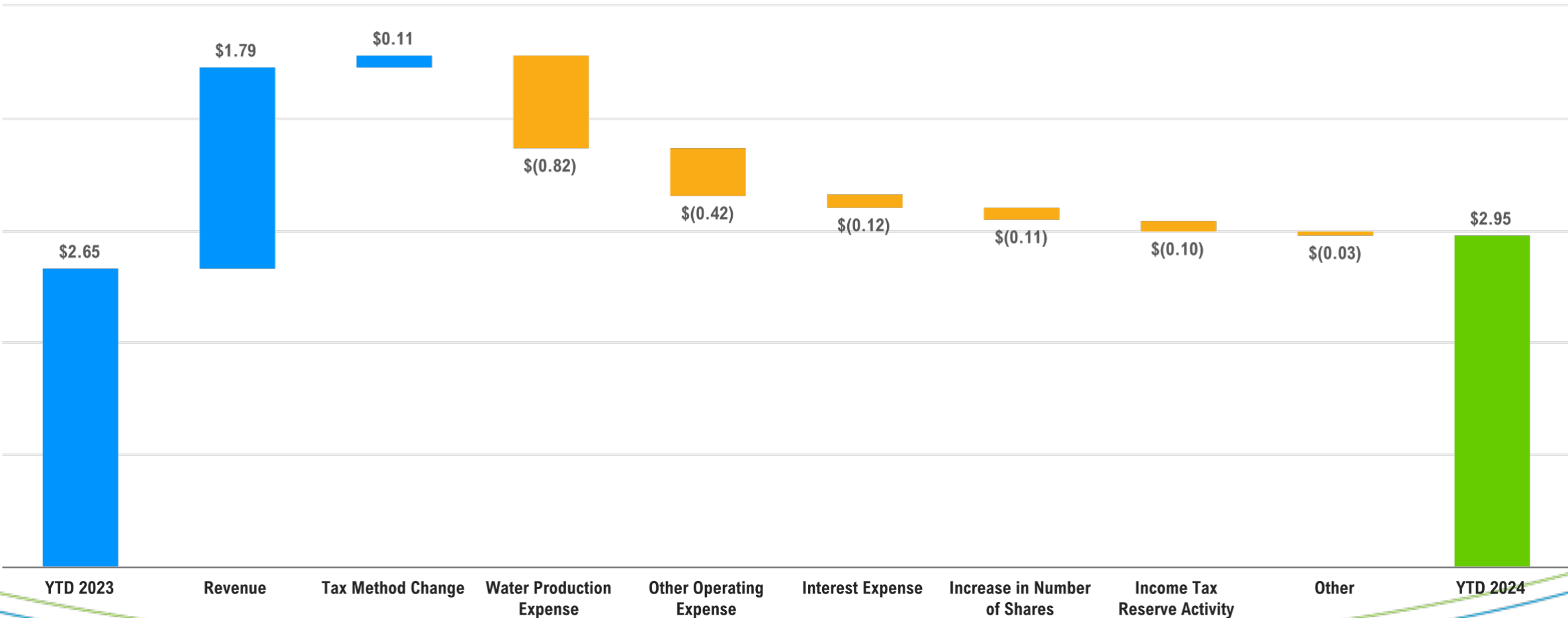
IN MILLIONS except for earnings per share (EPS)	2024	2023	CHANGE
Revenue	\$748.4	\$670.4	12% increase
GAAP Net Income	\$94.0	\$85.0	11% increase
Adjusted Net Income <sup>1</sup>	\$96.8	\$83.9	15% increase
Diluted EPS	\$2.87	\$2.68	7% increase
Adjusted Diluted EPS <sup>1</sup>	\$2.95	\$2.65	11% increase

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



# 2024 Adjusted Diluted EPS Bridge\*

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



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

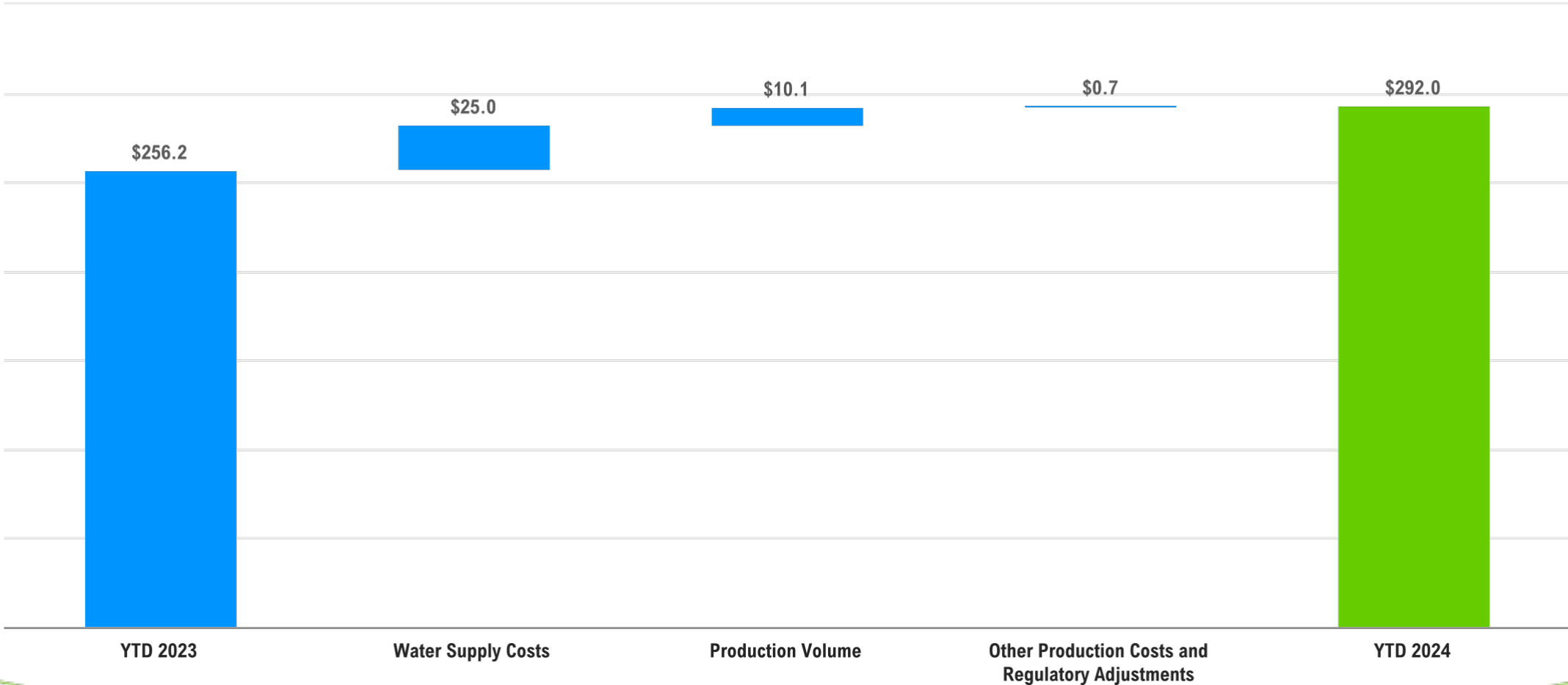
# 2024 Revenue Increased 12%

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



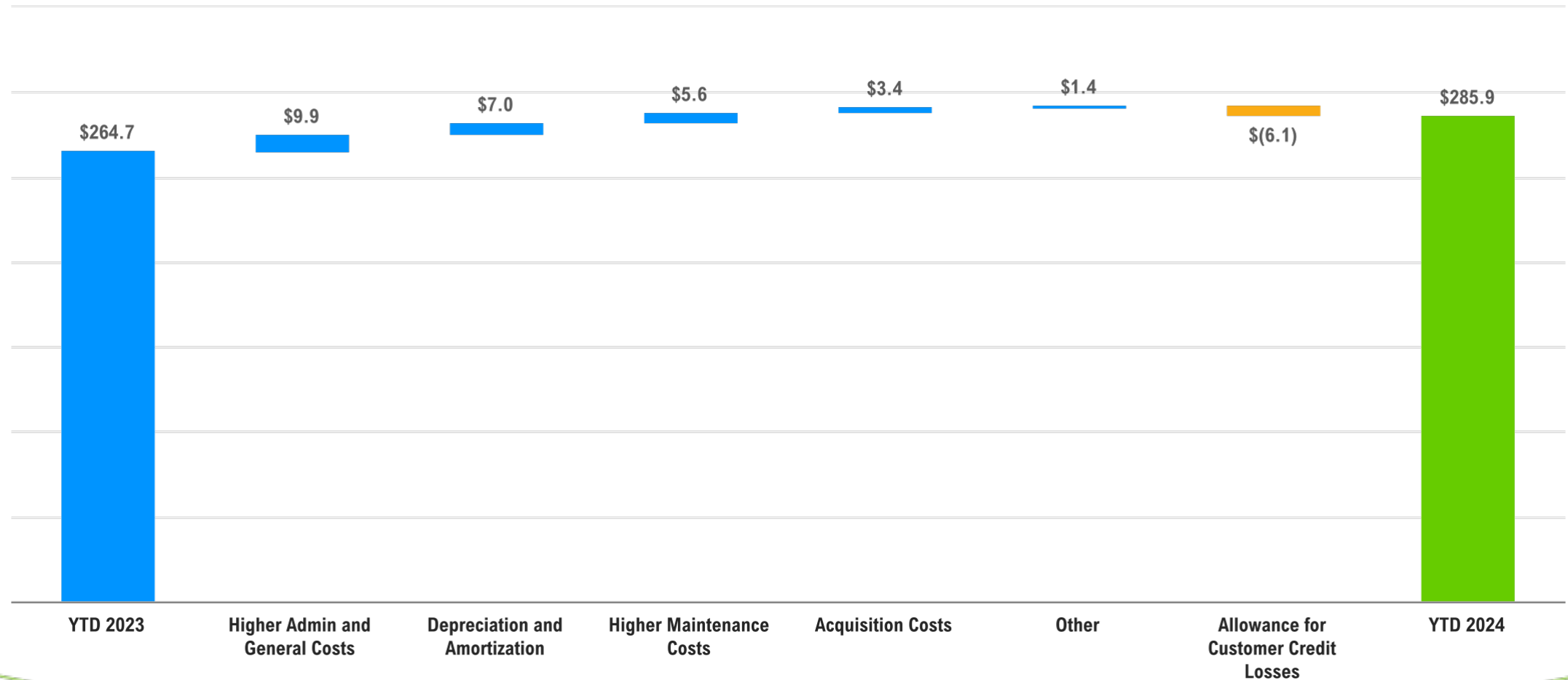
# 2024 Water Production Expenses Increased 14%

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



# 2024 Other Operating Expenses Increased 8%

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



# 2024 Financing Activity and Income Tax Rate

- Approximately \$87 million in gross equity proceeds raised at the market to fund growth and capital investment
- \$350 million bank lines of credit, \$119 million drawn, leaving \$231 million available
  - \$160 million raised in 2024 through long-term debt offerings to pay down line of credit
    - \$20 million in Texas and \$15 million in Maine issued in 4Q 2024
- 6.44% average borrowing rate on credit advances in 2024, 6.29% in 2023
- Effective income tax rate 9% in 2024, 7% in 2023



# 2025 Guidance

2025 Guidance <sup>1</sup>	
Adjusted Diluted EPS (non-GAAP)	\$2.90 to \$3.00
Equity Issuance, Excluding Acquisition Growth	\$120M - \$140M
2025 CapEx <sup>2</sup>	\$473M <sup>3</sup>

**5-Year Capex Plan**  
**\$2.0 billion<sup>2</sup>**  
 25% increase from prior plan

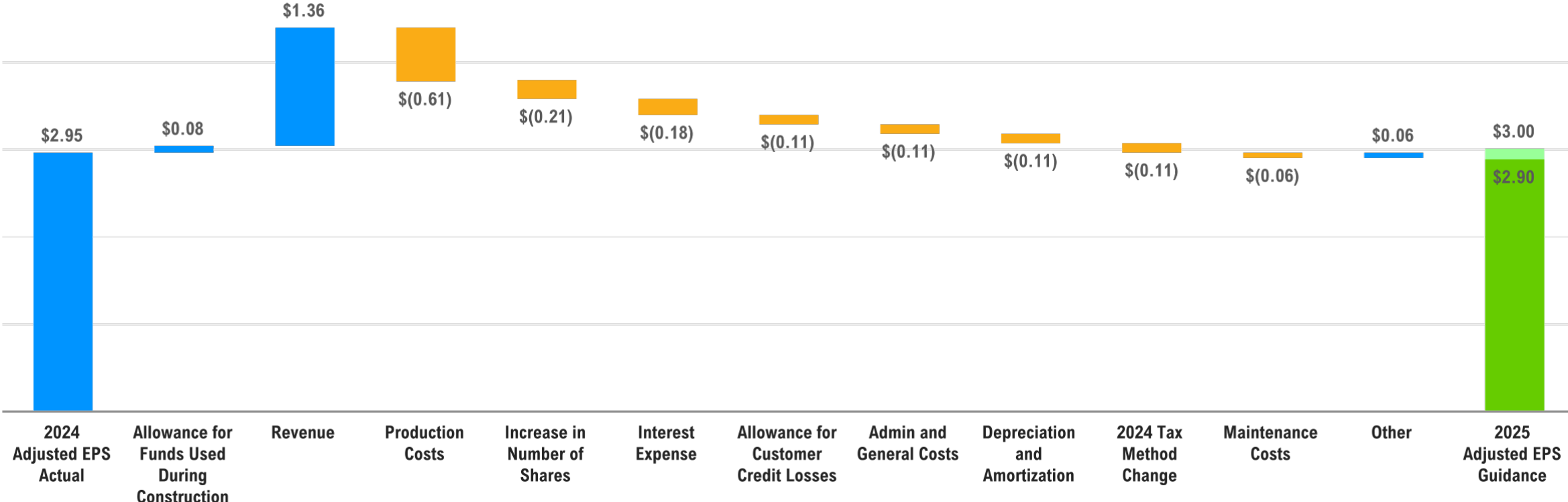
- **Long-term Growth Rate: 5% - 7%**
  - Expect to be in the top half of the range
  - Nonlinear and anchored off of 2022 diluted EPS of \$2.43
- **Factors Underlying 2025 Guidance:**
  - Strategic investments in the business and timing of infrastructure riders and GRC recovery
  - Potential for continued drought in Texas
  - 2025 guidance is independent of real estate sales or M&A activities

<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. Because we are not able to predict certain potentially material items affecting diluted EPS on a GAAP basis, principally gains or losses on non-utility real estate transactions and expenses for merger and acquisition activities, we are unable to reconcile the fiscal year 2025 adjusted diluted earnings per share, a non-GAAP measure, to the diluted earnings per share, the most directly comparable measure in reliance of the "unreasonable efforts" exception set forth in the SEC rules.

<sup>2</sup> Five-year CapEx includes approximately \$300 million for PFAS treatment.

<sup>3</sup> Includes expenditures for cloud based systems recorded as deferred asset

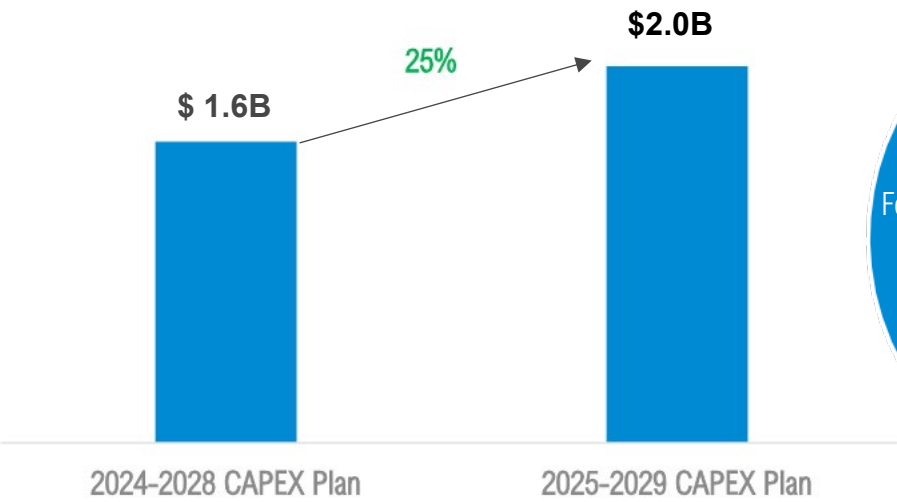
# SJW Group EPS - 2024 Actual to 2025 Guidance<sup>1</sup>



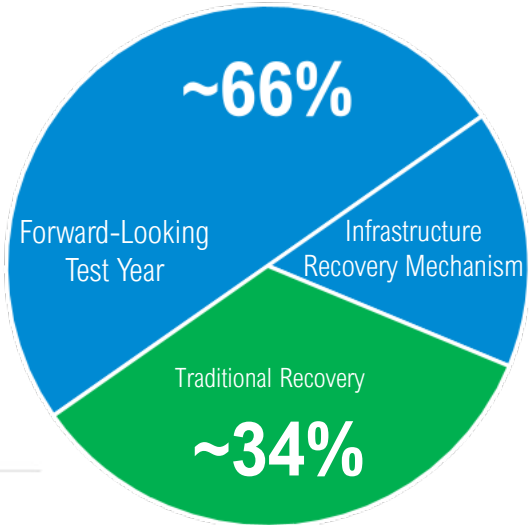
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# Substantial Capital Plan Drives Earnings Growth

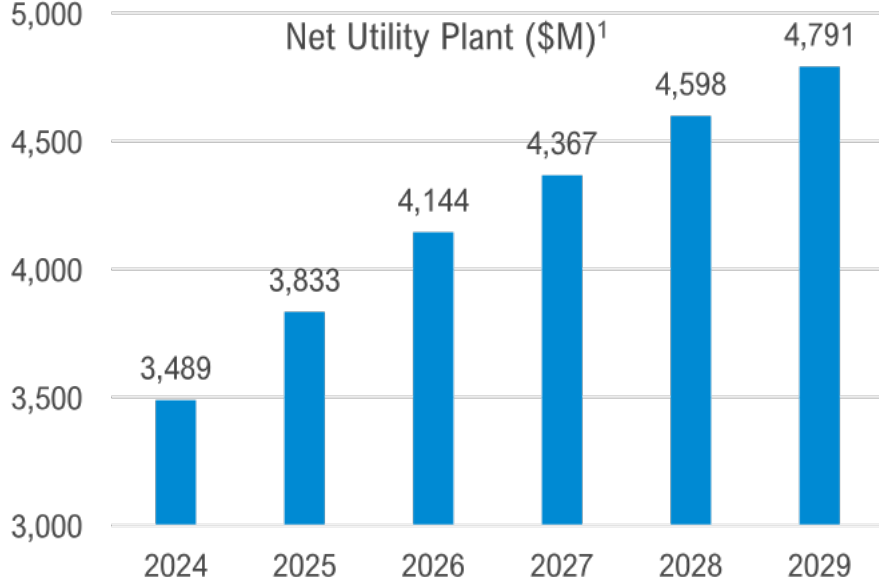
25% increase in 5-Year capital plan driven by infrastructure, PFAS and additional water supply investments<sup>1</sup>



Timely Recovery Through Regulatory Mechanisms<sup>2</sup>



6.6% Net Utility Plant Growth



<sup>1</sup> Includes expenditures for cloud-based systems recorded as deferred assets  
<sup>2</sup> Based on budgeted investments or filings that qualify for infrastructure recovery mechanisms



# State Updates



Bruce A. Hauk  
Chief Operating Officer

# California Updates

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

- Approved on December 19, 2024 with new rates effective on January 1, 2025
  - Approves settlement agreement negotiated with Public Advocates Office that provides for continued delivery of high-quality water service and realistic opportunity to earn our authorized return of equity
    - \$450 million capital expenditure (CapEx) plan<sup>1</sup> 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



### 2025 to 2027 GRC

Authorizes \$53.1 million in revenue over three-years

2025 = 3.91%

2026 = 2.55%

2027 = 2.98%

\$450 million CapEx program

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

# California Updates

## 2025 Cost of Capital filing deferred

- One-year deferment granted, next filing due May 2026
- Maintains Water Cost of Capital Mechanism (WCCM) through 2026
  - Expected return on equity (ROE) of 9.81% for 2025, 10.01% prior to 20 bps reduction related to the Water Conservation Memorandum Account
  - Cost of debt of 5.28%
  - Authorized rate of return (ROR) of 7.75% reflects 9.81% ROE

## Cupertino Agreement

- New 12-year agreement with City of Cupertino to manage the City's water system effective on October 1, 2024
- Equity issued to pay upfront \$22.1 million concession fee



Cost of Capital filing deferred maintains 9.81% ROE through 2026 subject to any WCCM adjustment

Concession agreement executed with City of Cupertino effective October 1, 2024

# Connecticut Updates

## Water Infrastructure and Conservation Adjustment (WICA)

- Largest WICA spend to date in 2024, \$41.9 million
- WICA increase approved by the Connecticut Public Utilities Regulatory Authority (PURA) and effective October 1, 2024
  - Annualized revenue increase of \$4.3 million
- WICA application filed with PURA on January 28, 2025
  - Annual reconciliation and requested annualized revenue increase of \$1.6 million
    - Decision expected in 1Q 2025

## Water Quality and Treatment Adjustment

- WICA-like mechanism for water quality investments



### WICA

WICA surcharge 3.43%  
effective October 1, 2024

1.47% increase requested  
on January 28, 2025

If increase and  
reconciliation approved as  
requested, WICA would be  
4.9% on April 1, 2025

Annual cap on WICA: 5%

Cap between GRCs: 10%

# Maine Updates

## Rate Tariff Unification

- Petitioned the Maine Public Utilities Commission (MPUC) to unify the company's 10 rate districts on December 31, 2024
  - Improve administrative efficiency
  - Minimize regulatory lag
  - Addresses system needs across the company while maintaining customer affordability

## 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



Rate unification application filed with MPUC

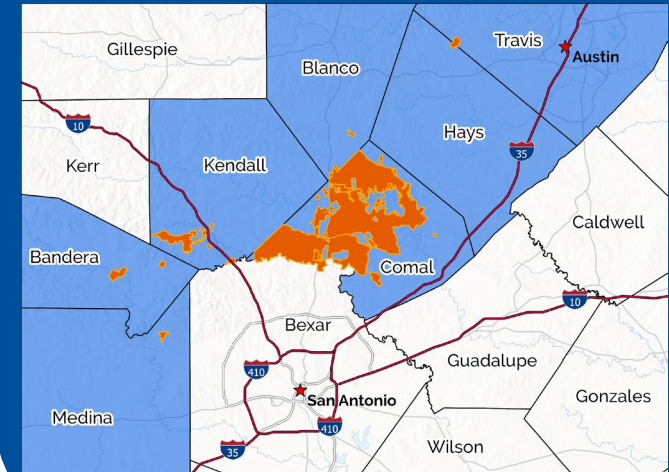
Camden/Rockland GRC filed with MPUC requesting \$1.1 million revenue increase, decision expected in 2Q 2025

# Texas Updates

- Drought conditions persisted in 2024
  - Conservation measures in place
  - Water usage down in 2024 compared to 2023
- 6,000 acre-feet of additional water supply expected to be online by the end of 2026
- Standby generators at nearly all critical facilities strengthening resilience

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

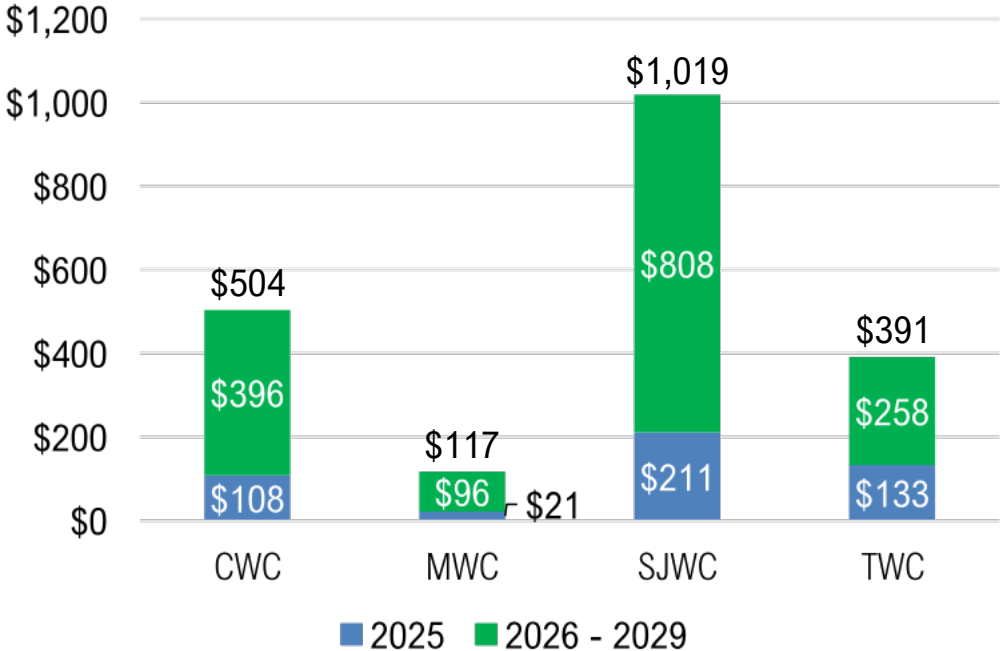


# Substantial Infrastructure Investment

\$473<sup>1</sup> million budgeted for infrastructure spending in 2025, ~34% increase over 2024 actual spend

- Distribution system investments in Texas to maximize available supply
- PFAS treatment in California and Connecticut
  - \$300 million (\$110M SJWC and \$190M CWC)
- Pipeline replacement - 1% target all states
- Advanced Metering Infrastructure

Planned CapEx by State 2025 – 2029<sup>1</sup> (\$M)



<sup>1</sup> Includes both utility plant additions and capitalizable costs associated with cloud-computing arrangements

# Force for Good



Eric W. Thornburg  
Chair, President and Chief Executive Officer



# Force for Good

- Scope 1 and Scope 2 emissions reduced nearly one-third since 2019
  - On track to meet 50% reduction by 2030
- Connecticut Water Platinum recognition for construction safety
  - Recognized 21 years for safety consecutive years
- SJW Group named one of 'America's Most Responsible Companies 2025' by *Newsweek*
- Force for Good Foundation
  - Furthering community outreach and engagement



# Execution Strategy and Strong Leadership

Ann Kelly, Chief Accounting Officer

- Previously at American Electric Power



Douwe Busschops, Chief Information Officer

- Previously at Veolia North America





# Questions



# 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
- \$300 million CapEx estimate for treatment at EPA's finalized maximum contaminant levels
- Party to class action settlements with PFAS manufacturers



# 2023-25 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	12/19/24	Alternate Proposed decision approved	\$103M	\$53.1M	Step increases 3.91% 2025, 2.55% in 2026 and 2.98% in 2027, and \$450M 3-year capital budget
CA	Advice Letter 613	GRC Decision 24-12-077	12/20/24		Effective 01/01/25	\$23.3M	\$23.3M	2025 step rate increase
CA	Advice Letter 610	AMI Rate Base Offset	05/23/24	06/21/24	Approved	\$768K	\$768K	Effective 07/01/24
CA		Request for One-Year Deferment of COC Filing	12/18/24	01/14/25	Approved			Next COC filing due 05/1/26 Maintains WCCM for 2026
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	07/26/25	09/18/24	Approved	\$4.3M	\$4.3M	Effective 10/01/24
CT	23-08-32WI02	WICA	01/28/25		Filed	\$1.6M		

\* 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

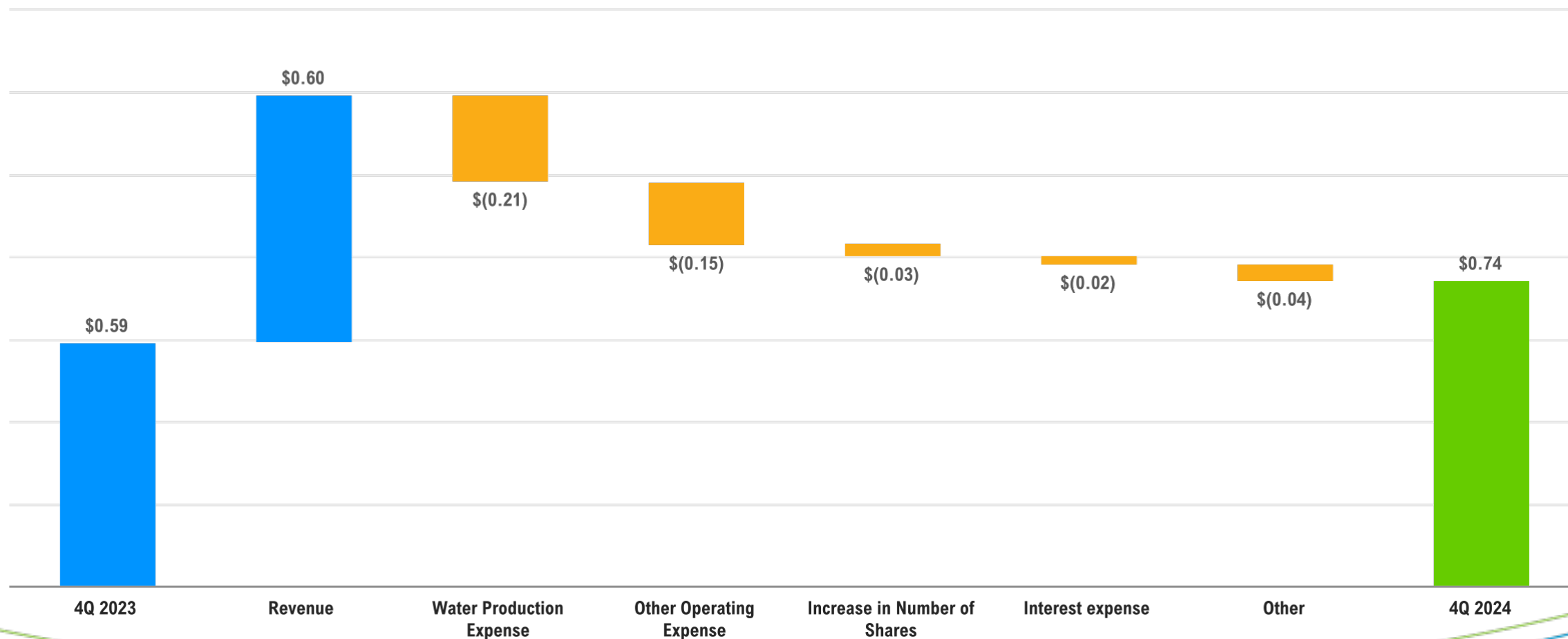
# 2023-25 Regulatory Filings Pending and Approved

State	Docket #	Type*	Filing Date	Order Date	Status	Revenue Requested (annualized)	Revenue Approved (annualized)	Comments
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	08/01/24	Effective 08/01/2024	\$27K	\$27K	
ME	2024-00141	WISC Oakland	06/24/24	08/01/24	Effective 08/01/24	\$25K	\$25K	
ME	2024-00276	WISC Millinocket	09/30/24	12/16/24	Effective 12/16/24	\$46K	\$46K	
ME	2024-00291	GRC Camden-Rockland	10/25/24		Filed	\$1.1M		
ME	2024-00378	Request Unified Rate Schedule	12/31/24		Filed			Requests consolidation of rate jurisdictions
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	\$4.1M		Hearing scheduled in March 2025

\* 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

# 4Q 2024 Adjusted Diluted EPS Bridge\*

Change in Adjusted EPS (\$): 4Q 2024 - 4Q 2023

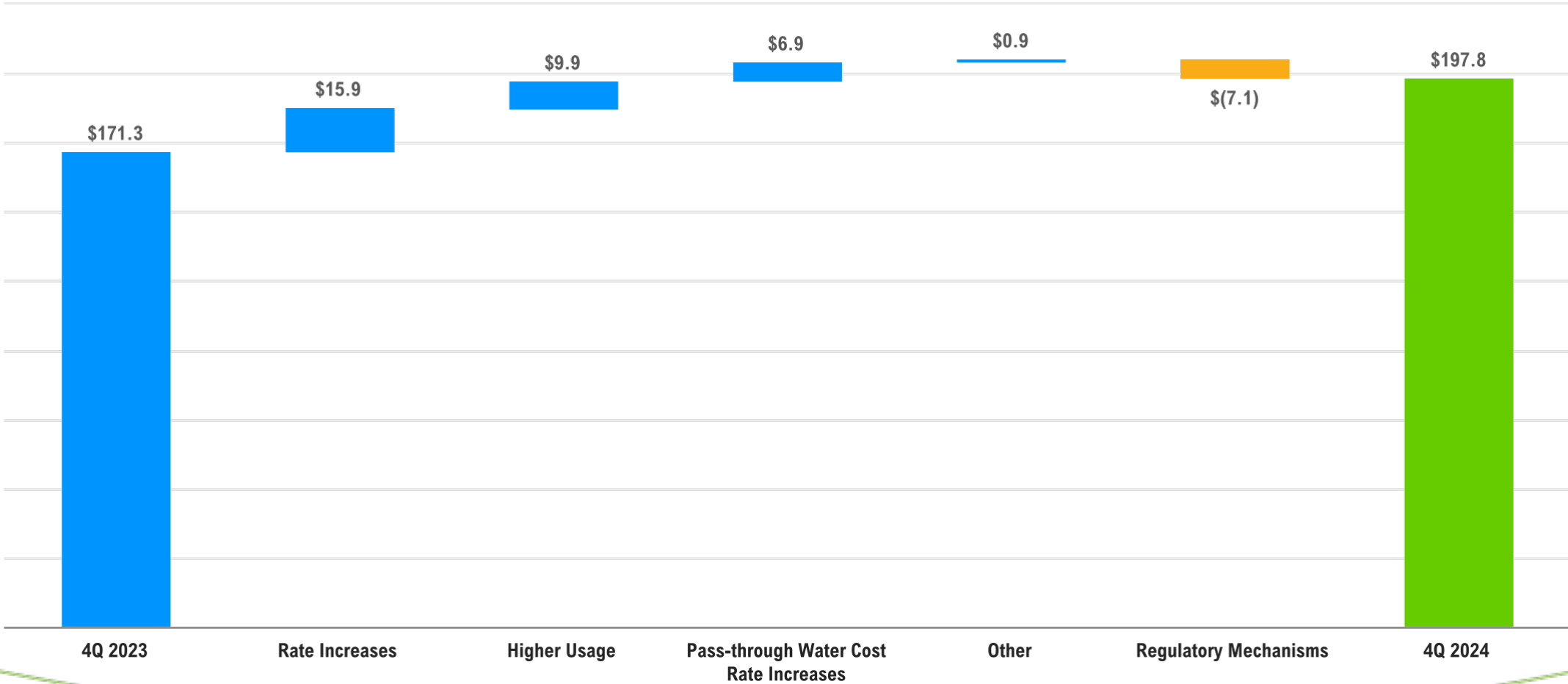


\*See Appendix for SJW Group's reconciliations and disclosures for non-GAAP financial measures.



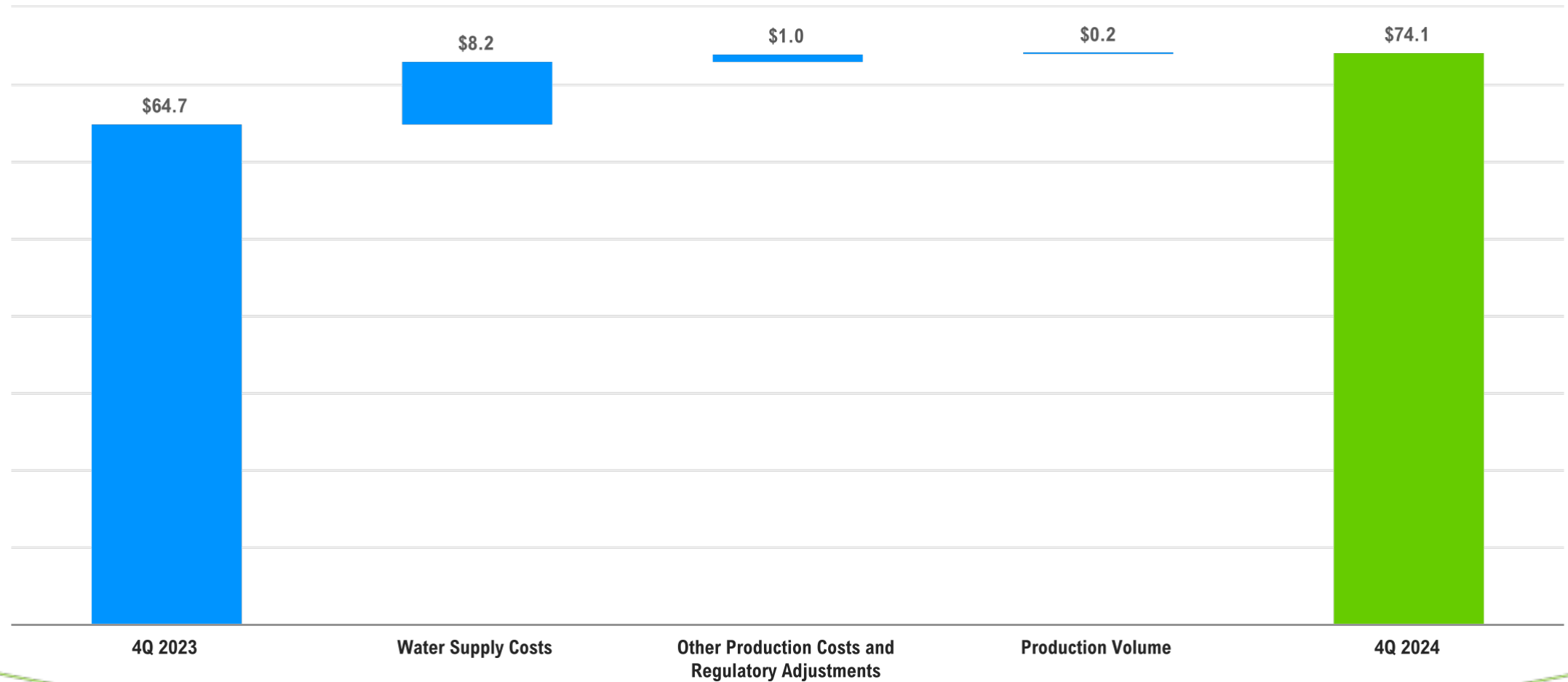
# Revenue Increased by 15% Compared to 4Q 2023

Change in Revenue (\$M): 4Q 2024 - 4Q 2023



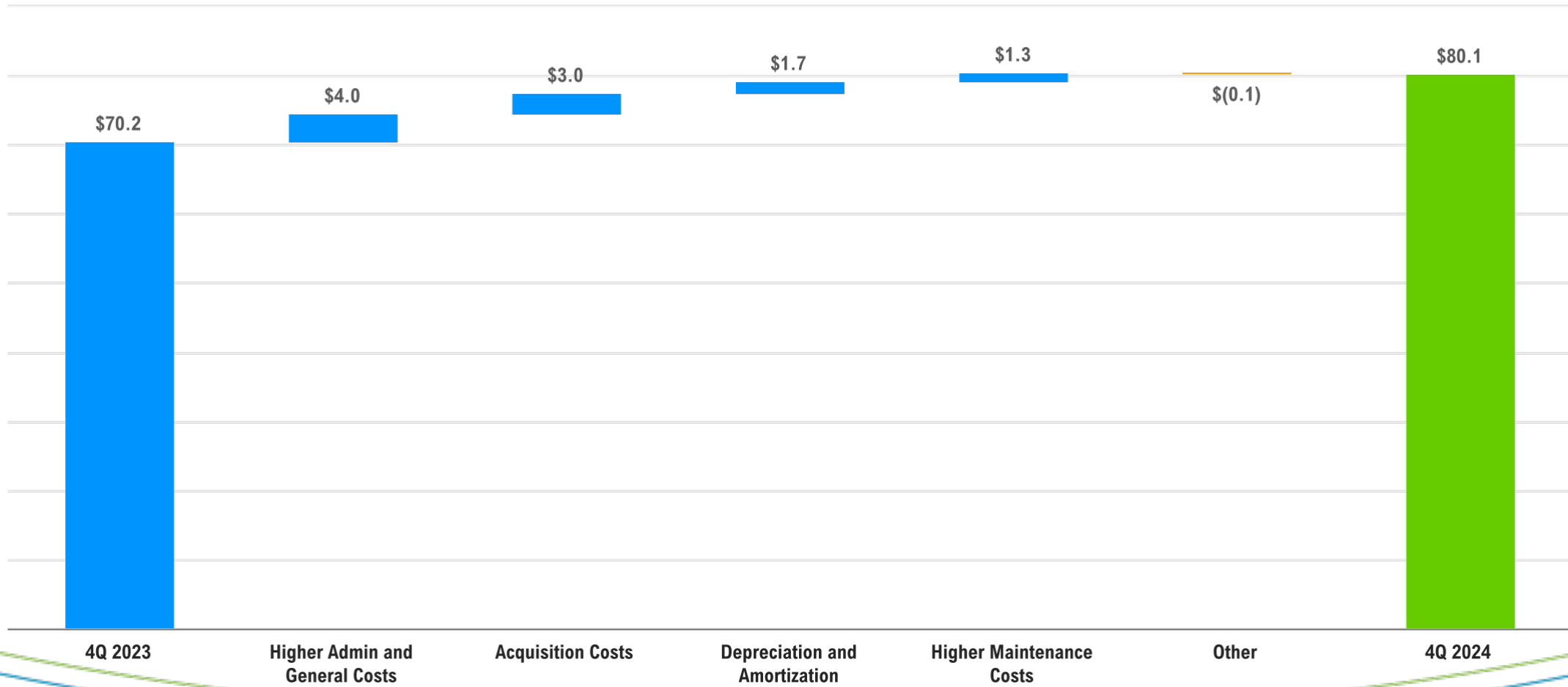
# Water Production Expenses Increased 15% From 4Q 2023

Change in Water Production Expenses (\$M): 4Q 2024 - 4Q 2023



# Other Operating Expenses Increased 14% From 4Q 2023

Change in Other Operating Expenses (\$M): 4Q 2024 - 4Q 2023



# 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

	Three months ended December 31,		Twelve months ended December 31,	
	2024	2023	2024	2023
Reported GAAP Net Income	\$ 22,920	18,949	\$ 93,967	84,987
Adjustments:				
Gain (loss) on sale of real estate investments <sup>1</sup>	(397)	—	572	(1,473)
Expense for merger and acquisition activities <sup>2</sup>	3,032	—	3,393	—
Tax effect of above adjustments <sup>3</sup>	(737)	—	(1,148)	412
Adjusted Net Income (non-GAAP)	<u>\$ 24,818</u>	<u>18,949</u>	<u>\$ 96,784</u>	<u>83,926</u>
Reported GAAP Diluted Earnings Per Share	\$ 0.68	0.59	\$ 2.87	2.68
Adjustments:				
(Gain) loss on sale of real estate investments, net of tax	(0.01)	—	0.01	(0.03)
Expense for merger and acquisition activities, net of tax	0.07	—	0.07	—
Adjusted Diluted Earnings Per Share (non-GAAP)	<u>\$ 0.74</u>	<u>0.59</u>	<u>\$ 2.95</u>	<u>2.65</u>

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

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

<sup>3</sup> The tax effect on all adjustments is calculated at the applicable statutory rate.