

California Water Service Group Investing for Life

June 2024 Investor Presentation

Forward-Looking Statements and Other Important Information

This presentation contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 (PSLRA). The forward-looking statements are intended to qualify under provisions of the federal securities laws for "safe harbor" treatment established by the PSLRA. Forward-looking statements in this presentation are based on currently available information, expectations, estimates, assumptions and projections, and our management's beliefs, assumptions, judgments and expectations about us, the water utility industry and general economic conditions. These statements are not statements of historical fact. When used in our documents, statements that are not historical in nature, including words like will, would, expects, intends, plans, believes, may, could, estimates, assumes, anticipates, projects, progress, predicts, hopes, targets, forecasts, should, seeks, commits or variations of these words or similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements in this presentation include, but are not limited to, statements describing expectations regarding potential increases in revenue, capital investments or expenditures, depreciation or regulated rate base, impacts of the decision of the California Public Utilities Commission on Cal Water's 2021 General Rate Case, compliance with new PFAS regulations, sufficiency of cash to support capital investment and growth, customer growth, market size, and sustainability and citizenship efforts to deliver long-term value. Forward-looking statements are not guarantees of future performance. They are based on numerous assumptions that we believe are reasonable but are subject to uncertainty and risks. Actual results may vary materially from what is contained in a forward-looking statement. Factors that may cause actual results to be different than those expected or anticipated include, but are not limited to: our ability to integrate business acquisitions and operate them in an effective and accretive manner; governmental and regulatory commissions' decisions; consequences of eminent domain actions relating to our water systems; changes in regulatory commissions' policies and procedures; the outcome and timeliness of regulatory commissions' actions concerning rate relief and other actions; changes in water quality standards; changes in environmental compliance and water quality requirements; electric power interruptions; the impact of opposition to rate increases; our ability to recover costs; availability of water supplies; issues with the implementation, maintenance or security of our information technology systems; civil disturbances or terrorist threats or acts; the adequacy of our efforts to mitigate physical and cyber security risks and threats; the ability of our enterprise risk management processes to identify or address risks adequately; changes in customer water use patterns and the effects of conservation; the impact of weather, climate change, natural disasters, and actual or threatened public health emergencies; restrictive covenants in or changes to the credit ratings on our current or future debt that could increase our financing costs or affect our ability to borrow, make payments on debt or pay dividends; the impact of market conditions and volatility on unrealized gains or losses on our operating results; risks associated with expanding our business and operations geographically; and other risks and unforeseen events described in our Annual Report on Form 10-K and other reports filed from time to time with the SEC. In light of these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation. We are not under any obligation, and we expressly disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this presentation constitutes an offer to sell, or a solicitation of an offer to buy, any securities or should be treated or relied upon as a recommendation or advice. A credit or environmental, social and governance (ESG) rating is not a recommendation to buy, sell or hold any securities, may be changed at any time by the applicable ratings agency and should be evaluated independently of any other information.

Who We Are



Our Company At-a-Glance



1926

Company founded

1,260+

Employees

2M+

Population served

555K+

Service connections



93B+

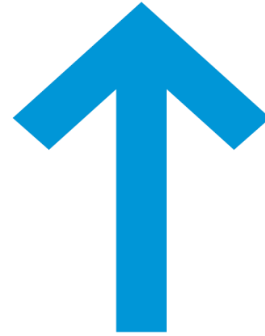
Gallons of drinking
water delivered

680M+

Gallons of waste-
water processed

\$1.5M+

Contributed to charitable
organizations



57 Years

The annual dividend
has increased

Consecutive annual
dividends paid since

1948

Our mission:

to be the leading provider of
sustainable water and waste-
water services.

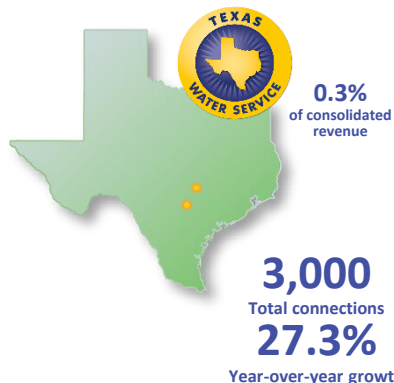
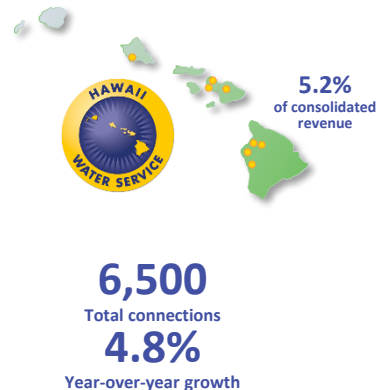
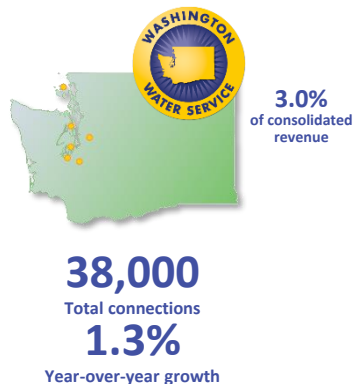
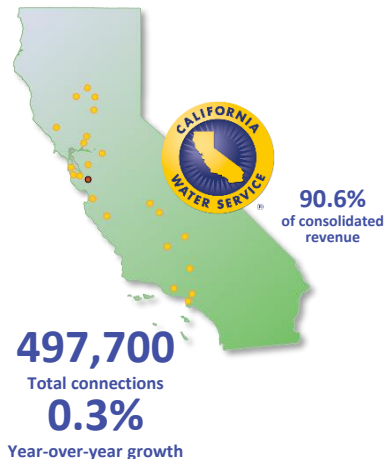
Our purpose:

to enhance the quality of life
for our customers, communities,
employees, and stockholders.

Our operating imperatives:

affordable and excellent service,
sustainability and community
impact, public health and safety,
enhanced stockholder value, and
employees as best advocates.

California Water Service Group: a leading publicly traded U.S. water utility providing high-quality water & wastewater services



Financial Profile

2023 revenue
\$794.6M*

2023 net income
\$51.9M*

\$161M
Returned to shareholders
in dividends over 3 most
recent ended years

Global credit rating
affirmed by S&P Global
A+/stable

First Mortgage Bonds
rating
AA-

**2023 revenue and net
income impacted by delay
in 2021 CA General Rate
Case decision.*

Our Business Model is Straightforward



Earn reasonable return on capital invested in infrastructure



Recover other costs through reasonable regulatory policies and efficient operations



Add non-regulated income (water system operations, HomeServe, antenna leases)

97.7% regulated revenue (return on equity [ROE], rates, and investments set or approved by state utilities commissions or municipalities)

California ROE currently set at **10.27%**

The Case for Investing in CWT

Growth



Leverage deep expertise to grow through capital investment and acquisitions

Increasing rate base has driven expansion

Strategic M&A



Opportunisticly target new markets in high-growth regions

Achieving 2-2.5% annual growth via new customer acquisitions

Capital Allocation



Strong history of returning cash to shareholders through dividend policy

Declared 317th consecutive quarterly dividend; increased annual dividend for 57th consecutive time

Corporate Responsibility



Taking a science-based approach to reducing Scope 1 and 2 greenhouse gas emissions

Continuing to make investments and adhering to PFAS regulation

Recent Events





2021 GRC Successfully Resolved

Decision provides clarity for all stakeholders, while enabling CWT to continue to provide safe, reliable water service to customers throughout California

Final decision approved: March 7, 2024



Increases adopted revenues, after corrections, for 2023 by approximately **\$41.5 million**, retroactive to 1/1/23; also potentially increases adopted revenues by up to approximately **\$30.0 million** for 2024 and **\$30.6 million** for 2025, subject to the California Public Utility Commission's (CPUC) earnings test and inflationary adjustments



Authorizes Cal Water to invest approximately **\$1.2 billion** from 2021 through 2024 in water system infrastructure projects needed to continue providing safe, reliable water service to customers throughout CA, including approximately **\$160 million** of infrastructure projects that may be submitted for recovery via CPUC's advice letter process; from 2021 – 2023, Cal Water capital investments totaled approximately **\$855 million**



Approves progressive rate design intended to provide financial stability while benefiting low-income and low-water-using customers by decreasing cost of **first 6 units** of water consumed and increasing percentage of fixed costs recovered in service charge



EPA Sets Limits for PFAS

Group believes we are well-positioned to meet new PFAS regulation

On April 10, 2024, EPA established:

MCLs

PFOA – **4 ppt**

PFOS – **4 ppt**

PFHxS – **10 ppt**

PFNA – **10 ppt**

GenX – **10 ppt**

Combined Hazard Index

PFBS, PFHxS, PFNA, and
GenX – **1.0**

- Cal Water, Hawaii Water, New Mexico Water, and Washington Water have rigorous, coordinated water quality assurance programs and protocols in place to test and monitor the water delivered to customers
- In CA and WA, Group's utilities have been complying with previously issued PFAS guidelines issued by state regulators
- On April 18, 2024, CPUC dismissed without prejudice Cal Water's application requesting authorization to modify previously approved PFAS-expense memorandum account to include capital investments related to PFAS compliance; CPUC instructed Cal Water to include PFAS capital investments in a future GRC or a separate application
- Despite CPUC decision, we have reaffirmed our commitment to investing an estimated **\$215.0 million** in PFAS treatment across our operating utilities and working quickly to complete planned projects



Additional \$83 Million Secured to Relieve Customers of Past-Due Balances

Repeated efforts to apply for funding to relieve California customers of past-due balances accumulated during the COVID-19 pandemic reflects Group's commitment to supporting all customers, particularly those who need financial assistance.

\$20.8M

Received in Q1 2022 through the original California Water and Wastewater Arrearage Payment Program



\$83M

Received in Q2 2024 through the California Extended Water and Wastewater Arrearage Payment Program



\$103.8M

Total funding secured to benefit customers with outstanding balances accrued during the pandemic

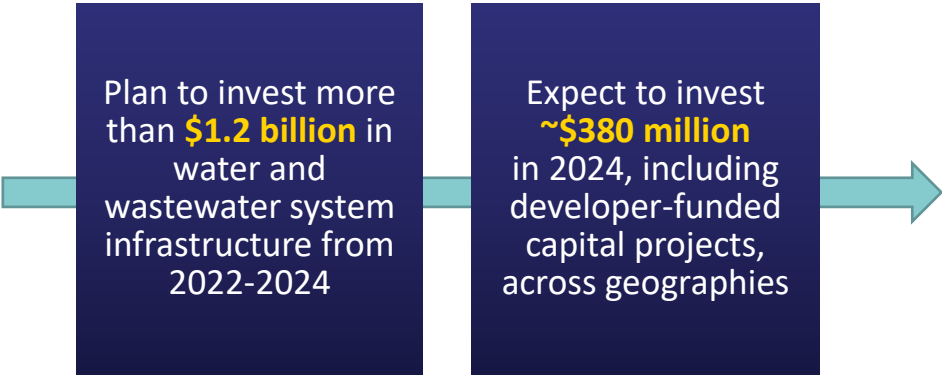


Strategic, Continual Growth

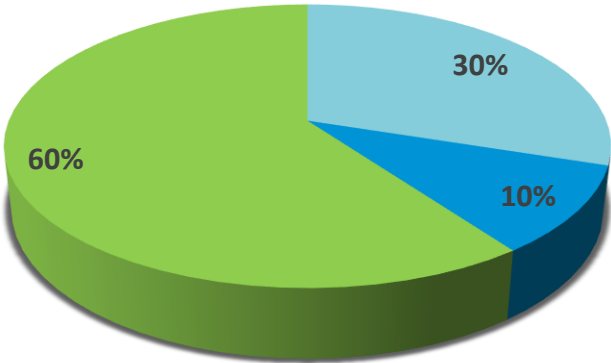


Responsible Infrastructure Investment:

Critical for safe, reliable, and efficient water and wastewater service



2023 Investment



- Water pipes (mains and services)
- Structures, pumps, wells, land, storage, and treatment
- Other

Capital Investment and Depreciation:

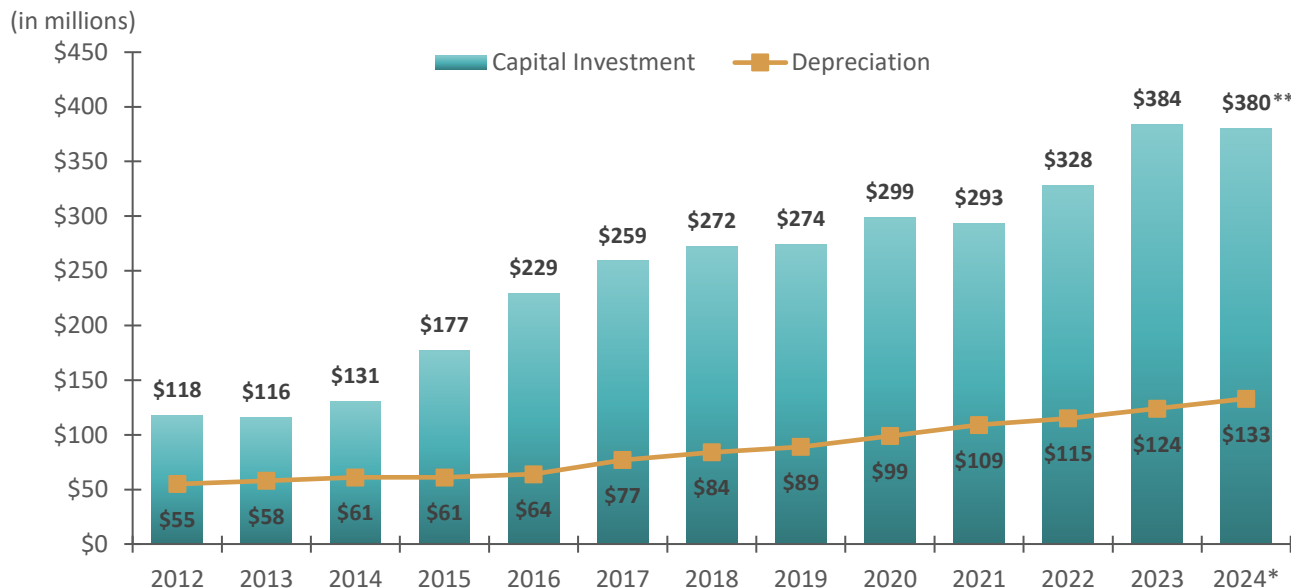
Growth in capital investment outpaces depreciation

2015-2022 TOTAL

CapEx

3x

DEPRECIATION



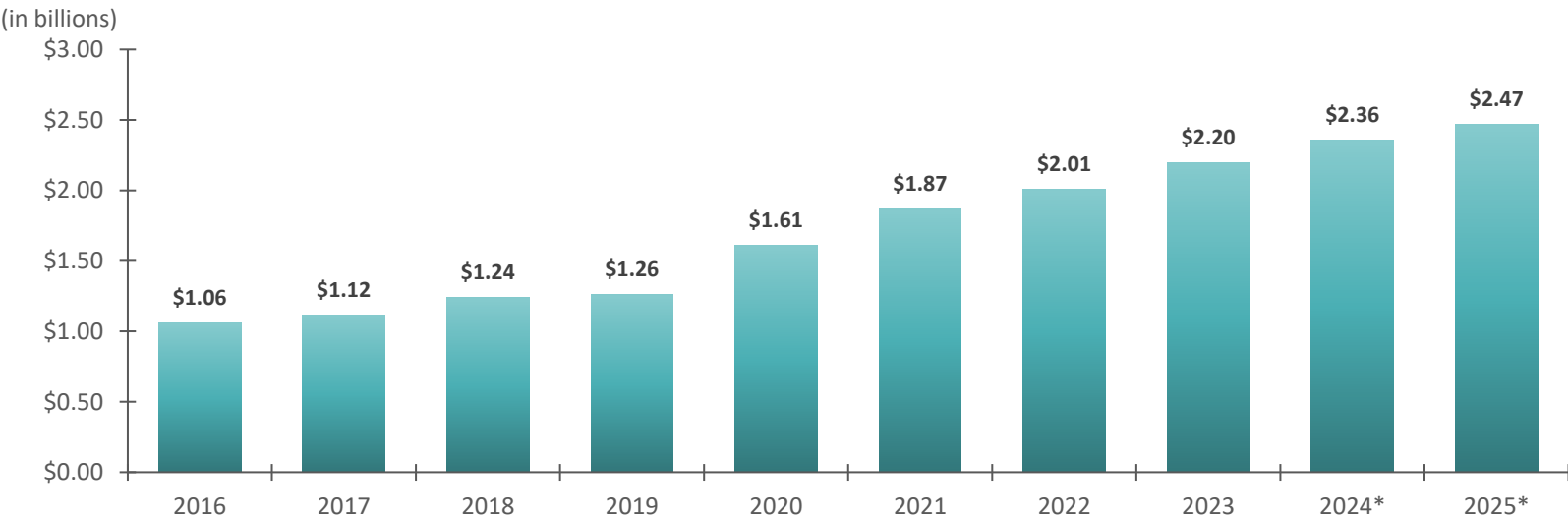
*Capital Investment for the first quarter 2024 was \$109.8M. Depreciation through the first quarter 2024 was \$32.8M.

**Excludes \$215.0M of estimated PFAS treatment capital investments that will be incurred over multiple years.



Regulated Rate Base Growth:

Estimated to achieve nearly \$2.5 billion by 2025



*2024-2025 Rate Base estimates include amounts authorized in the 2021 GRC plus estimated rate base in other states; these values are not yet adopted and are subject to review and approval of CPUC and other regulators. Amounts exclude estimated \$215.0 million in PFAS treatment capital investments that will be incurred over multiple years.

Strategic Acquisitions

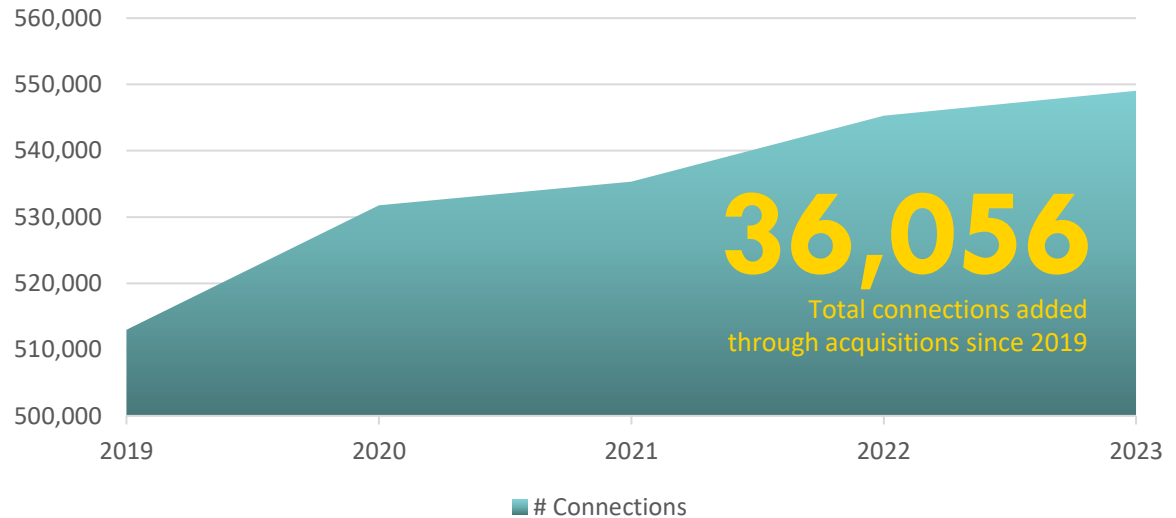
1%

Targeted annual cumulative addition of customers through new business development activities (announced in 2019)

2-2.5%

Growth achieved per year from new business development activities since 2019

Customer Count*



*excludes operating contracts



Strategic Acquisitions

Improved diversification into adjacent and growing states including HI, WA, NM & TX

2019	2020	2021	2022	2023
Travis Air Force Base (CA) – 1	Crane Ridge (CA) – 26	Kapalua Water (HI) – 1,000	Keahou (HI) – 1,600	Stroh Water (WA) – 900
	Ranier View (WA) – 18,500	BVRT (TX) – 1,812	Railyard (TX) – 354	Bethel Green Acres (WA) – 200
	Greenwood Estates (WA) – 25	FGU Texas (TX) – 750	Animas Valley (NM) – 1,850	HOH Utilities (HI) – 2,100
	Kalaeloa (HI) – 200		Driftwood Valley (WA) – 85	Monterey Water (NM) – 380
			Hi Mesa (NM) – 80	Skylonda (CA) – 190
			BVRT/Camino Real (TX) – 6,000	City of Willows (CA) – 3
Total # of				
Connections Added:				
1	18,751	3,562	9,969	3,773



Group & BVRT Water Resources

Strategic expansion into high-growth areas leveraging Group’s deep experience

2021

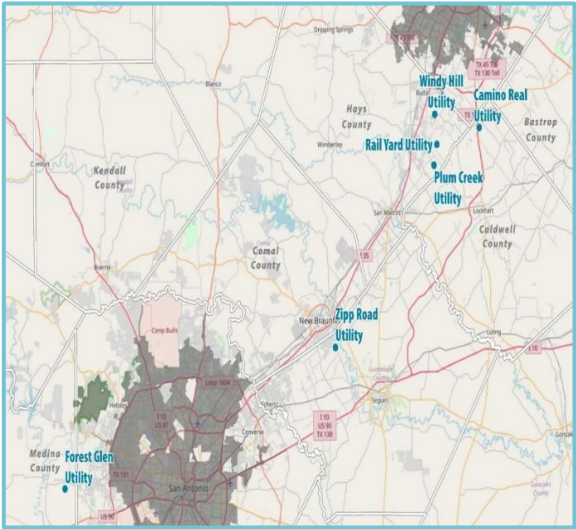
Group invested in BVRT Water Resources, a privately owned regional water & sewer utility



Majority shareholder of BVRT

6

BVRT-owned regulated utilities in high-growth areas near Austin, TX



BVRT

New utility incubator for Group, investing in & growing greenfield water & sewer utilities

Group brings

Experience
Strong national brand
Capital



BVRT Growth

As of 2020, 4 of top 15 metropolitan areas for population growth in U.S. were in Texas

10,000+

Total connected & committed customers in 2023

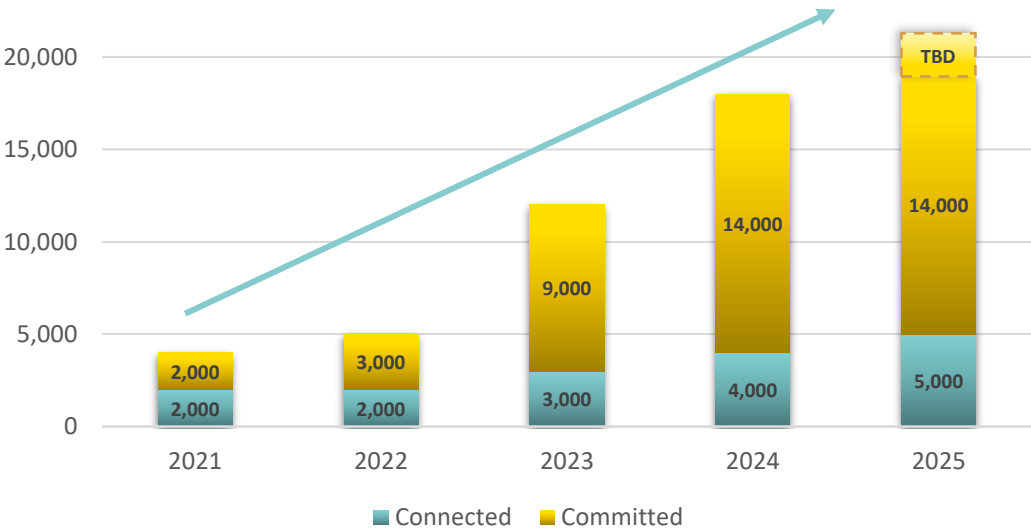
20,000+

Additional likely customers in existing service areas

100,000+

Additional potential customers near existing service areas

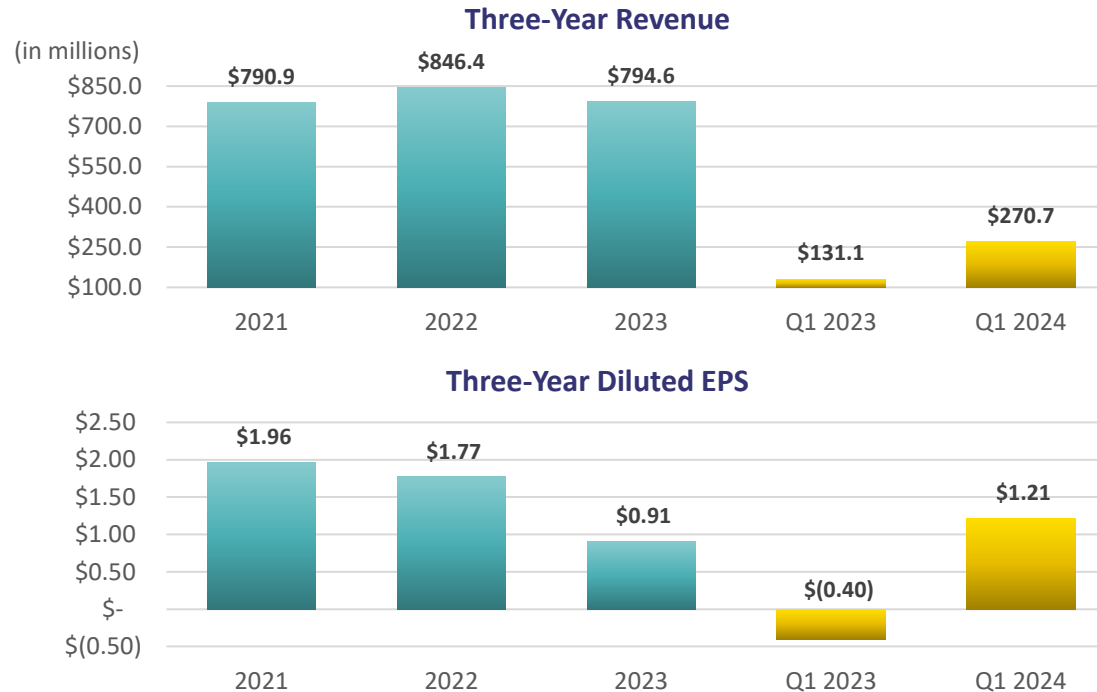
Anticipated Customer Growth



Strong Financial Performance



Financial Overview



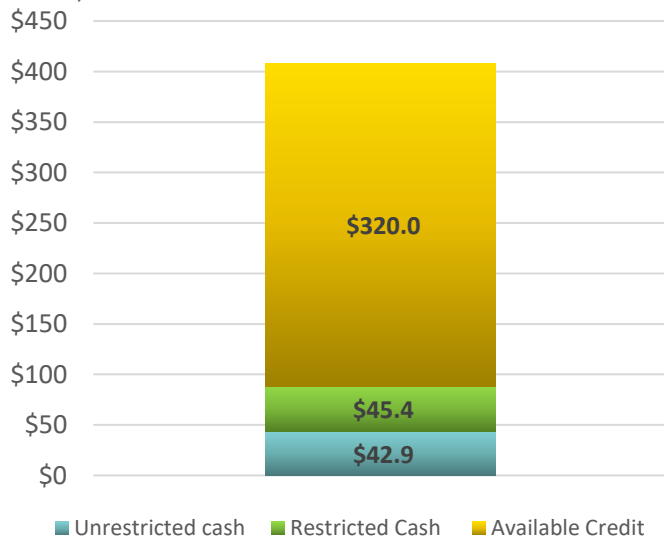
- 2023 results were impacted by the delay in our 2021 CA General Rate Case (GRC) decision received in March 2024; interim rate relief related to 2023 included revenue of \$90.3 million and net income of \$67.9 million
- 2021 CA GRC potentially increases adopted revenues by up to approximately \$30.0 million for 2024 and \$30.6 million for 2025, subject to CPUC earnings test and inflationary adjustments



Liquidity Profile

Group maintains strong liquidity profile to execute capital plan and strategic M&A investments

(in millions)



- Expect to have adequate cash to support capital investment and growth
- Credit facility of \$600 million which can be expanded up to \$800 million
- Extended maturity of credit facilities to March 2028
- Global credit rating A+/stable affirmed at S&P Global
- First Mortgage Bonds rated AA-
- Strong capital position of 58.3% equity and 41.7% debt



Capital Allocation | Balance Sheet

Continue to maintain financial discipline with strong balance sheet, while allocating capital in efficient manner



Increased annual dividend **7.7%** from \$1.04 per share to \$1.12 per share; this is Company's **57th** consecutive dividend increase



Declared **317th** consecutive quarterly dividend of **\$0.28** per share



Strong capital structure of **58.3%** equity and **41.7%** debt supportive of future capital growth



Maintain Board-authorized **ATM program** used opportunistically to raise incremental funds to support capital growth and investments in the business

Committed to Doing the Right Thing

Sustainability and citizenship efforts deliver long-term value



Protecting our planet

We **minimize our impact on the planet** while **proactively investing in the resilience and reliability of its most essential resource – water.**



Serving our customers & communities

We **invest in the long-term health of our communities and improve the quality of life** for our customers and neighbors.



Engaging our workforce

We foster a **positive work environment** where all employees are **safe, supported, and equipped to succeed.**



Governing with integrity

We pursue excellence by **adhering to the highest ethical standards** and integrating **strong corporate governance practices** into our business.

Dedicated ESG Program Designed to Drive Progress and Enhance Transparency

Program Highlights



Annual framework-aligned reporting on ESG topics most significant to the business



Top-to-bottom ESG governance framework and policies



ESG-related metrics integrated into at-risk compensation programs



Robust greenhouse gas disclosures and climate change strategy



Short and long-term ESG goals integrated into strategic planning process

Annual Reporting

Framework-aligned annual ESG reporting provides detailed updates on our sustainability and citizenship strategy, and progress we've made on topics we believe are important to the Company and our stakeholders



Protecting Our Planet



Detailed Climate Change Risk Assessment and Adaptation Framework

Study completed in 2022 IDed climate-related physical risks and adaptation strategies that could impact operations, assets, and water supply through end of century



Commitment to reduce operational GHG emissions by 63% by 2035 from 2021 base year

Science-aligned target supports limiting global temperature increases to 1.5°C above pre-industrial levels



Strategic infrastructure investments

\$383.7 million invested in 2023 to support efficient, reliable, safe, and sustainable water supplies that will serve generations to come



Award-winning water conservation program

\$4.4 million invested in 2023 in water conservation rebates and programs for customers, helping them save approximately 95 million gallons of water annually



Dedication to environmental stewardship and biodiversity protection

Annual Tap Into Learning program, currently in 10th year, engages students on local water issues and empowers them to be stewards of environment



Serving Our Customers & Communities



Robust water quality program

100% compliance achieved in 2021 with primary and secondary federal and state water quality standards



Industry-leading customer service

Cal Water No. 1 among large water utilities in western United States in J.D. Power 2023 Water Utility Residential Customer Satisfaction StudySM



Numerous initiatives to support water affordability and access

\$100+ million secured to help customers with past-due bills incurred during the COVID-19 pandemic



Extensive community engagement in emergency training and response

19 community Emergency Operations Center training events hosted in 2023 to enhance coordination and resilience during emergency events



Dedication to community support through philanthropy and volunteerism

\$1.5+ million donated to local community organizations in 2023



Engaging Our Workforce



Commitment to creating a diverse and inclusive work environment

Partnerships with four new women- and minority-owned staffing agencies established in 2023 to increase our diverse candidate outreach



High employee satisfaction

Competitive pay and benefits, pathways to advancement, and commitment to fair labor practices help us consistently earn “Great Place to Work” certification



Significant investments in employee training and development

Bonuses and tuition reimbursement for industry-specific certifications and coursework offered, and company-specific programs—such as Future Leaders of Water and Operations Leadership Pathway—provide more opportunities for career development



Emphasis on workplace health and safety

Employees receive both in-person and online safety training to help mitigate safety risks, and we continue to analyze injury trends to inform and update training



Governing with Integrity



Clearly defined framework of oversight and controls

Corporate governance structure aligns with strategic objectives and enables Board to effectively oversee our culture of compliance and in-depth risk management



Deeply ingrained business ethics

All employees required to review and acknowledge Business Code of Conduct each year as part of mandatory annual ethics training



Track record of successful advocacy for policies that support our values

Adoption of California AB1572, which bans using potable water to irrigate purely ornamental turf in public spaces, secured through collaboration



Strong supplier diversity program

27.2% of our net procurement spend in 2023 went to diverse suppliers, exceeding our regulator's target by nearly 5%

Awards and Ratings Reflect Strong Sustainability Performance



Ranked **No. 1** in overall customer satisfaction among large water utilities in western U.S. by J.D. Power in 2023



Earned USEPA 2023 “**Excellence in Promoting WaterSense® Labeled Products**” award



Recognized by Newsweek as one of “**America’s Most Responsible Companies**” and “**World’s Most Trustworthy Companies**”



Earned **Great Place to Work®** certification for 8th consecutive year in 2023



ESG corporate rating:
B / “Prime”

QualityScore:
Governance: 1
Environment: 4
Social: 4



ESG rating: **A**



ESG score: **A-**



Public disclosure score: **B**

Questions?