

# Q4 and YE 2025 Earnings & Strong Start to 2026

February 26, 2026



**CWT**  
**LISTED**  
**NYSE**

*100 years*





# Today's Speakers

**Marty Kropelnicki**

Chairman & CEO



**James Lynch**

Sr. Vice President, CFO & Treasurer



**Greg Milleman**

VP, Rates & Regulatory Affairs



**Shilen Patel**

Chief Business Development  
Officer & VP TWSC, Inc.





# 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 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 financial performance, operating plans, capital investments and expenditures, depreciation, expectations regarding California Water Service Group’s (Group or Company) plans and proposals pursuant to and progress of the California Water Service Company’s (Cal Water) 2024 General Rate Case, the anticipated closing and timing of acquisitions of Nexus Water Group’s Nevada and Oregon utilities, and remaining outstanding membership interests in BVRT and expected benefits resulting from the Nevada, Oregon, and BVRT acquisitions, PFAS-related investments and receipt of PFAS settlement proceeds, rate base growth, customer growth potential, compound annual growth rate and annual dividend yield. Forward-looking statements are not guarantees of future performance. They are based on numerous assumptions that we believe are reasonable, but they are open to a wide range of uncertainties and business risks. Consequently, actual results or outcomes may vary materially from what is contained in a forward-looking statement. Factors that may cause actual results or outcomes to be different than those expected or anticipated include, but are not limited to: the outcome and timeliness of regulatory commissions’ actions concerning rate relief and other matters, including with respect to the 2024 CA GRC and GRC’s of our other subsidiaries; the impact of opposition to rate increases; our ability to recover costs; Federal governmental and state regulatory commissions’ decisions, including decisions on proper disposition of property; changes in state regulatory commissions’ policies and procedures; changes in California State Water Resources Control Board water quality standards; changes in environmental compliance and water quality requirements, EPA’s finalization of a National Primary Drinking Water Regulation establishing legally enforceable maximum contaminant levels (MCL) for PFAS in drinking water in 2024 as well as legal challenges to such MCLs; the impact of weather, climate change, natural disasters, including wildfires and landslides, and actual or threatened public health emergencies, including disease outbreaks, on our operations, water quality, water availability, water sales and operating results and the adequacy of our emergency preparedness; electric power interruptions, especially as a result of public safety power shutoff programs; availability of water supplies; our ability to invest or apply the proceeds from the issuance of common stock in an accretive manner; consequences of eminent domain actions relating to our water systems; increased risk of inverse condemnation losses as a result of the impact of weather, climate change, and natural disasters, including wildfires and landslides; shifts in population, including housing and customer growth; issues with the implementation, maintenance or security of our information technology systems; physical and cyber security risks and threats and the adequacy of our efforts to mitigate such risks and threats; the ability of our enterprise risk management processes to identify or address risks adequately; labor relations matters as we negotiate with the unions; changes in customer water use patterns and the effects of conservation, including as a result of drought conditions; our ability to complete, in a timely manner or at all, successfully integrate and achieve anticipated benefits from announced acquisitions; including the Nevada, Oregon, and BVRT acquisitions; restrictive covenants 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; risks associated with expanding our business and operations, including into other geographic areas; the impact of stagnating or worsening business and economic conditions, including inflationary pressures, general economic slowdown or a recession, changes in tariff policy, the interest rate environment, changes in monetary policy, adverse capital markets activity or macroeconomic conditions as a result of geopolitical conflicts, and the prospect of shutdowns of the U.S. federal government; the impact of market conditions and volatility on unrealized gains or losses on our non-qualified benefit plan investments and our operating results; the impact of weather and timing of meter reads on our accrued and unbilled revenue; the impact of evolving legal and regulatory requirements, including emerging sustainability requirements; the impact of the evolving U.S. political environment and changes effected, proposed or threatened by the U.S. federal government that has led to, in some cases, legal challenges and uncertainty around the funding, functioning and policy priorities of U.S. federal regulatory agencies and the status of current and future regulations; and other risks and unforeseen events described in our SEC filings. 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. When considering forward-looking statements, you should keep in mind the cautionary statements included in this paragraph, as well as the Annual Report on Form 10-K, Quarterly 10-Q, and other reports filed from time-to-time with the SEC. 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. A credit rating is not a recommendation to buy, sell, or hold any securities, and may be changed at any time by the applicable ratings agency and should be evaluated independently of any other information.

# Kicking Off Our Centennial Year with **Good News** on Regulatory and **Business Development** Fronts



## Acquisition

### **Nevada and Oregon**

Executed agreement to purchase Nexus Water Group's Nevada and Oregon operations adding ~36,000 equivalent residential connections.

## Acquisition

### **BVRT Utilities**

Reached agreement to purchase outstanding minority interest in BVRT Utility Holdings, and become sole owner of seven Texas water and wastewater utilities in South Austin-San Antonio corridor

## Regulatory

### **Rate Case Activity**

2024 California General Rate Case proceeding with expected proposed decision by the end of Q1; rate cases pending in Texas and Washington



# First, Let's Wrap Up 2025

1

Q4 and full-year 2025 financial results affected by wet weather in December

2

Invested record \$517.0 million in water system infrastructure, including \$152.3 million in Q4

3

Increased annual dividend by 10.71%; paid 323rd consecutive quarterly dividend of \$0.30 per share

4

Retained ROE of 10.27% until January 2028\* - one of the highest of any regulated water utility in U.S.

5

Received approval to increase 2026 interim rates by 3% in CA and completed rate cases in HI and WA

6

Maintained S&P Global rating of A+/Stable – one of the highest of any regulated water utility in U.S.



# Q4 Results Negatively Impacted by Wet Weather

## Q4 2025 vs. Q4 2024

(in millions, except EPS)



Operating Revenue



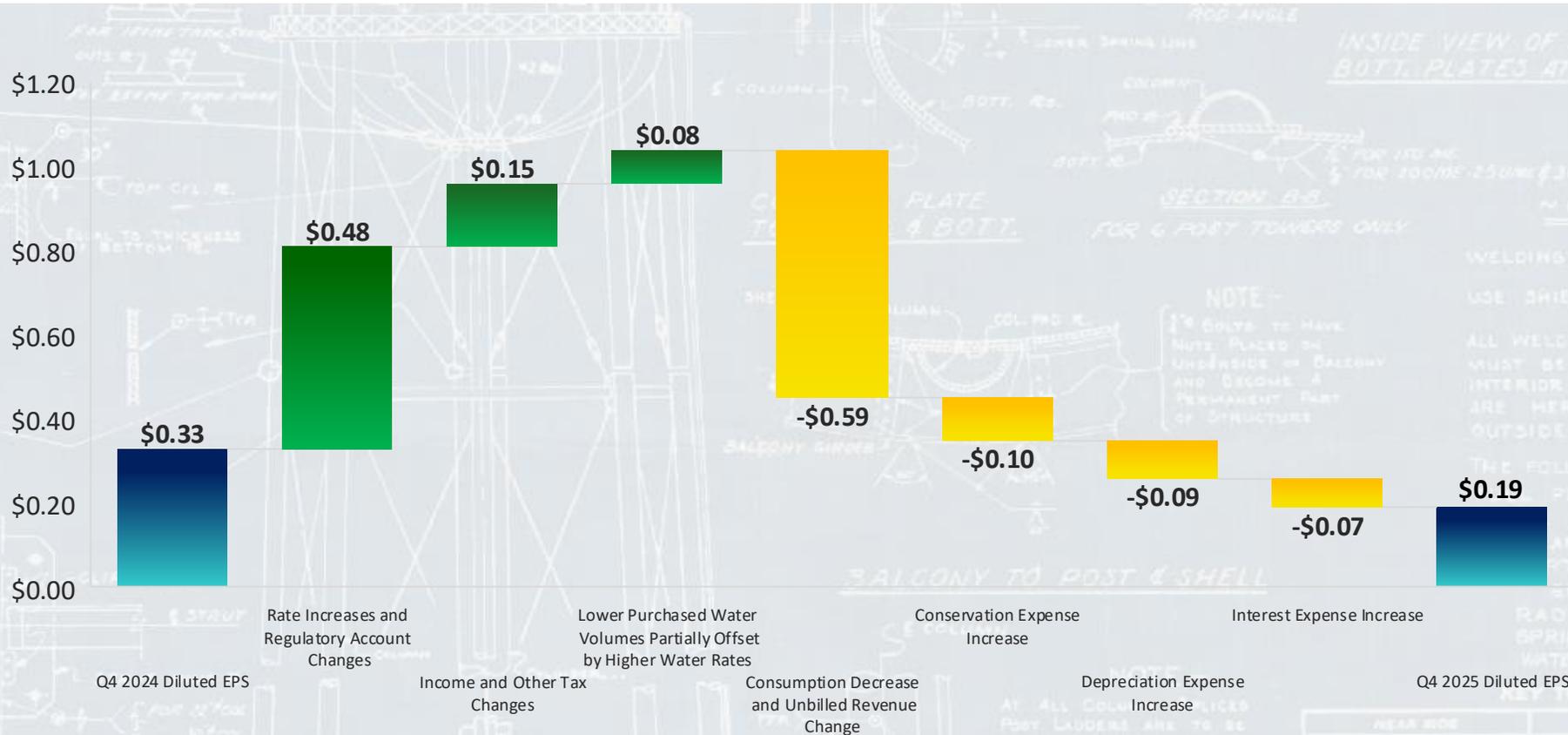
Net Income



Diluted EPS



# Diluted EPS Bridge – Q4 2024 to Q4 2025 Results

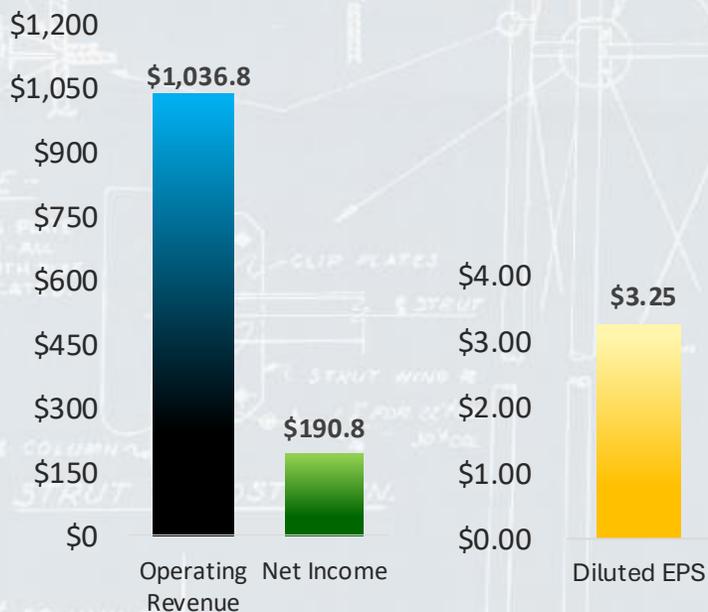




# YE 2025 Financial Results Impacted by Q4 Wet Weather, Third Year of CA Rate Case Cycle

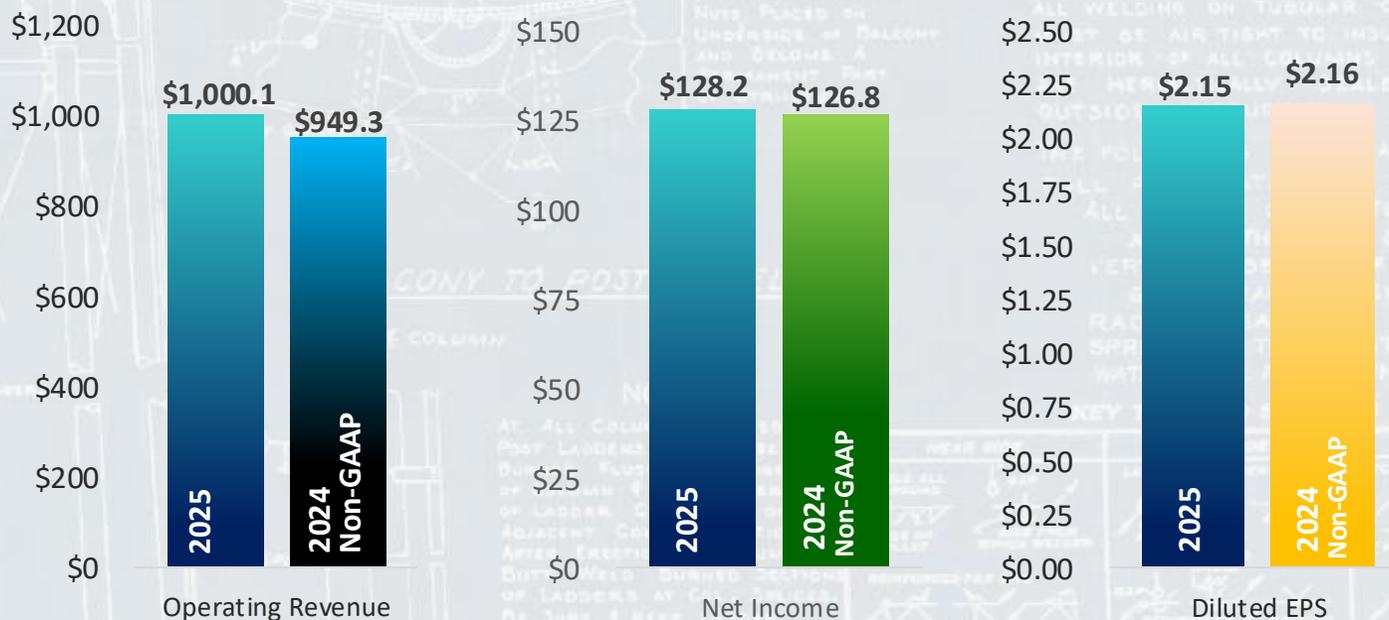
## 2024 GAAP Results

(in millions, except EPS)



## 2025 vs. 2024 Non-GAAP\* Results

(in millions, except EPS)



\*As a result of the delayed 2021 California GRC decision, interim rate relief related to 2023 was recorded and finalized in 2024. Non-GAAP measures adjust for the impact of 2023 interim rate relief on 2024 results. For more information, please see the reconciliation of 2024 results and related explanations in the Appendix.

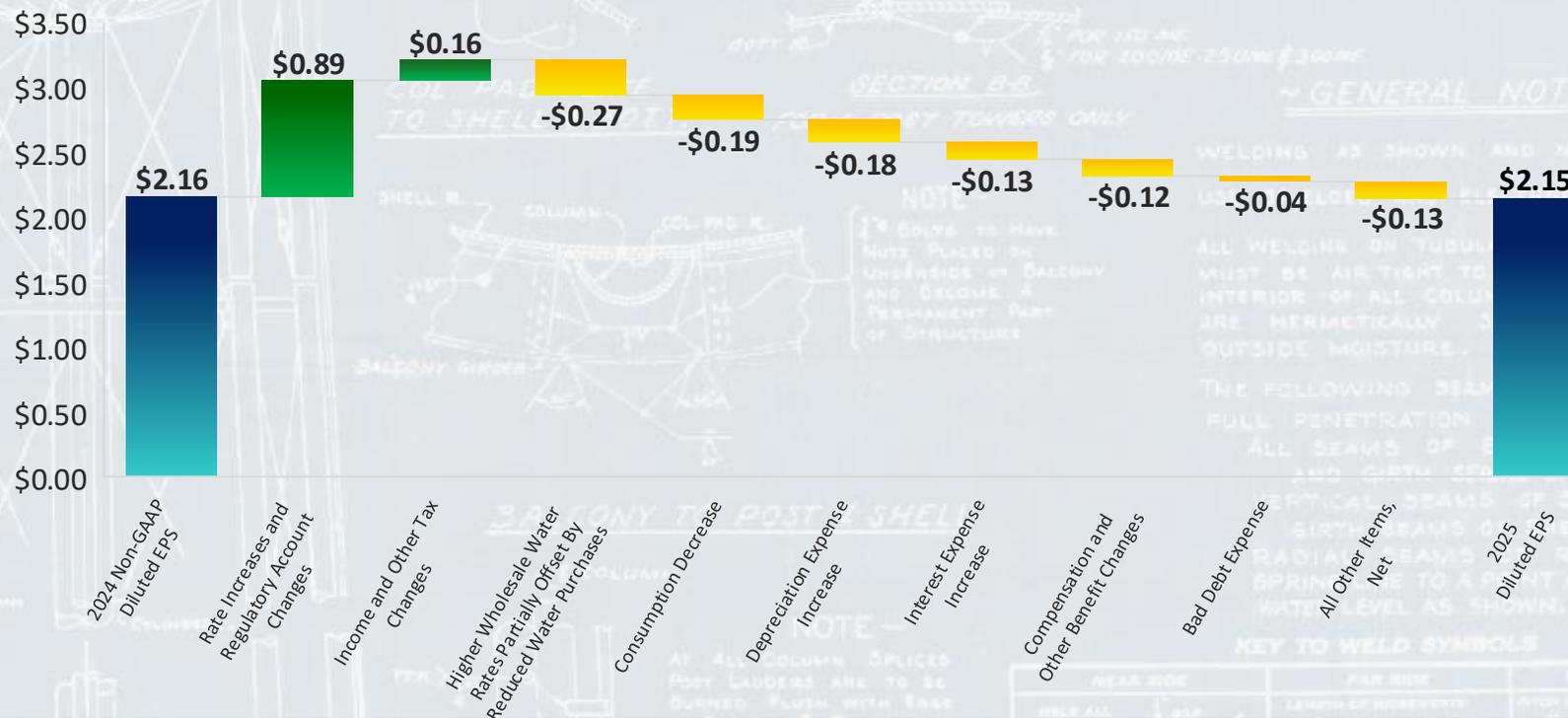


# Diluted EPS Bridge 2024 to 2025 Results

## 2024 vs. 2025



## Non-GAAP 2024\* Diluted EPS to 2025 GAAP Diluted EPS Bridge



\*As a result of the delayed 2021 California GRC decision, interim rate relief related to 2023 was recorded and finalized in 2024. Non-GAAP measures adjust for the impact of 2023 interim rate relief on 2024 results. For more information, please see the reconciliation of 2024 results and related explanations in the Appendix.



# Infrastructure Investment Improves Reliability and Sustainability, Powers Long-Term Earnings

## Growth in capital investment outpaces depreciation

2025-2027 TOTAL  
**CapEx**  
**4x**  
DEPRECIATION

| Cap-Ex                  |                          |
|-------------------------|--------------------------|
| Q4 2025                 | YE 2025                  |
| <b>\$152.3M</b>         | <b>\$517.0M</b>          |
| \$36.3M<br>Depreciation | \$144.4M<br>Depreciation |



\*Estimates for 2026-2027 are based on amounts requested in the 2024 California GRC application (adjusted for 2025 actual results where applicable), plus estimated capital expenditures in our other states. These capital expenditures are subject to review and approval by the CPUC and other regulators. Note: Estimates for 2026-2027 exclude anticipated Nevada, Oregon, and PFAS-related capital investments. Remaining estimated PFAS program expenditures are \$235.3M (before potential offsets) representing \$178.3M in treatment and \$57.0M in well replacement costs. PFAS expenditures are expected to be incurred over multiple years.



# Earnings Performance Driven Capital Investment/Rate Base Growth

Rate base estimated to reach over \$3.3 billion by 2027



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# Additional Financial Highlights

## Liquidity

Continue to maintain strong liquidity profile to execute on capital plan

Strategic M&A investment expected to focus primarily on tuck-in acquisitions as Group progresses Nexus and BVRT acquisitions

At year-end, Company had **\$51.8M** in unrestricted cash and **\$45.6M** in restricted cash; approximately **\$470.0M** available on bank lines of credit

## Balance Sheet Strength

Credit facilities of **\$600.0M** that can be expanded up to **\$800.0M**; facilities mature in March 2028

Combination of Group notes and Cal Water bonds issued in aggregate principal amount of **\$370.0M** in October 2025

ATM program renewed in May 2025; **\$350.0M** shelf registration; **\$1.5M** program sales occurred in Q4 2025

Group and Cal Water's S&P Global credit rating **A+/stable**

## Dividend Momentum

**323<sup>th</sup>** consecutive quarterly dividend of **\$0.30** per share

**\$0.04** one-time special dividend brings 2025 dividend to **\$1.24** per share

2026 announced annual dividend indicative of **\$1.34** per share; **59<sup>th</sup>** consecutive increase; **8.1%** higher than 2025 total

**7.7%** five-year dividend CAGR (inclusive of \$0.04 special dividend)



# Acquisition Bolsters Our Position as Leader in Western U.S., Provides Platform for Additional Growth

Acquiring Nexus Water Group's operations in **Nevada** and **Oregon** expands Cal Water's footprint into two additional Western states, increasing rate base outside of California (excluding BVRT) by approximately **40%**

**~36,000**

Total equivalent residential connections serving an estimated 115,000 people

**16**

Utility systems



Closing expected by the **end of 2026**, subject to customary closing conditions and regulatory approvals; expected accretion within year of close

**~\$109M**

Increased consolidated year-end 2025 rate base

**\$218M\***

Purchase price

\* Subject to certain closing adjustments



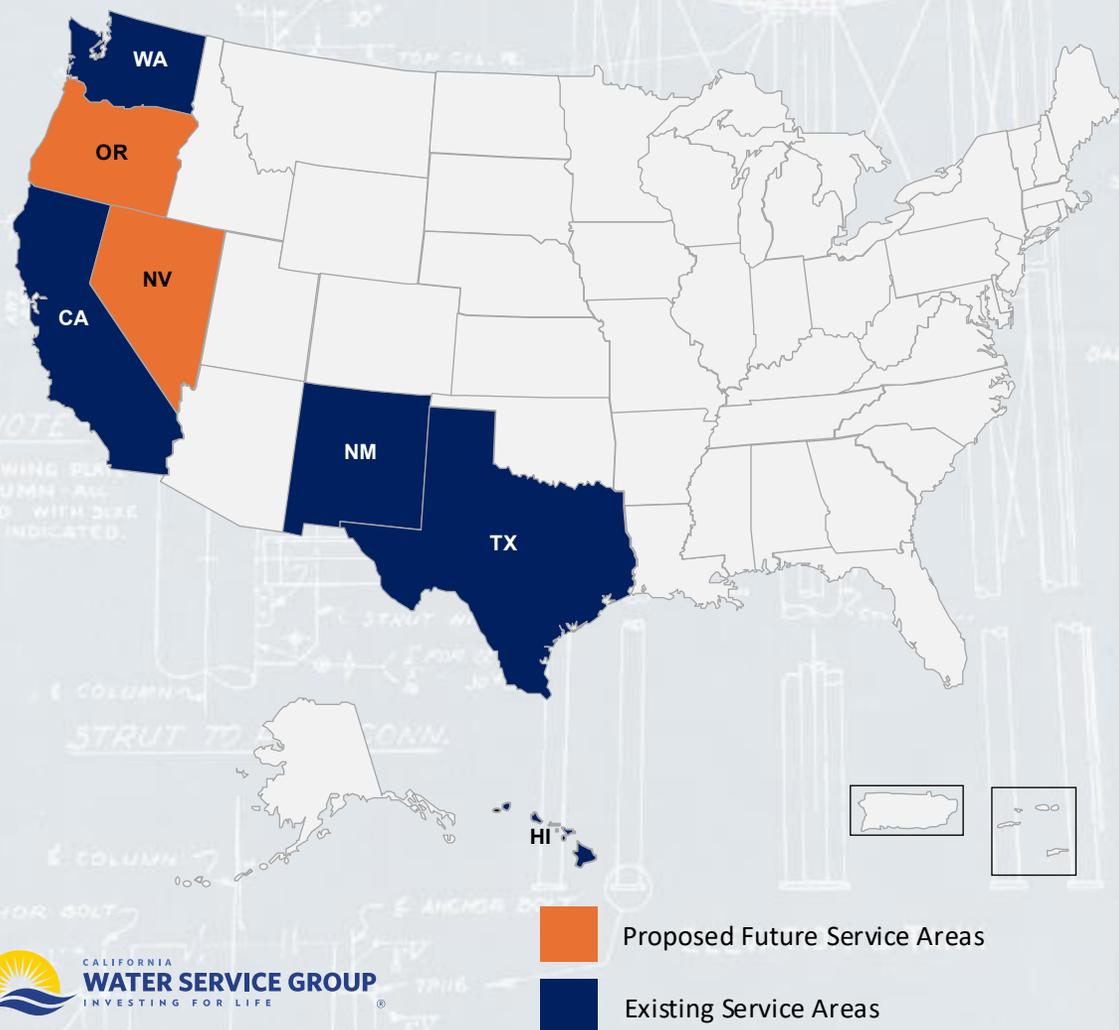
Establishes scalable regional platform with embedded **growth** opportunities



Transaction consistent with Group's disciplined **capital allocation framework** and long-term growth strategy



# Combined Company Highlights



## Nevada

- **26,466** total equivalent residential connections: 19,919 water / 6,547 wastewater
- **6** utility systems across three counties
- Largest investor-owned water/wastewater utility in Nevada
- Regulated by Public Utilities Commission of Nevada (PUCN)

## Oregon

- **9,127** total equivalent residential connections: 4,835 water / 4,292 wastewater
- **10** utility systems across three counties, regulated water and unregulated wastewater assets
- Second largest water/wastewater utility in Oregon
- Regulated by Oregon Public Utility Commission (OPUC) (regulated water operations)



# Strategic Rationale



Geographic diversification into Nevada and Oregon enhances regulatory and financial balance



Acquires rate-base-driven growth platform with customer growth and capex investment opportunities



Both states operate under hybrid ratemaking frameworks, supporting ongoing infrastructure investment



Opportunity to optimize and allocate corporate and shared service costs over larger operational base benefitting customers



Strong historical regulatory relationships supported by successful rate case outcomes



Embedded growth pipeline, both tuck-in acquisitions and customer connections



Assets and operating profile consistent with Group's operating principles and operations



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|-----------|-------|-----|----------|---------------------------|-------------------------------------|
| No.       | Date  | By  | Reason   | CHICAGO, ILL.             | GREENTVILLE, PA. - BIRMINGHAM, ALA. |
| 8         | 12/11 | W/C | REVISION |                           |                                     |

FIELD WELDING DETAILS  
TUBULAR COL. ELEV. TAN.



# Acquiring the remaining outstanding membership interests of BVRT in Texas

Group has entered into agreement to purchase remaining membership interests in BVRT

Would become sole owner of 7 subsidiary water and wastewater utilities in Austin-San Antonio corridor

BVRT expansion continues through system buildouts and enhancing water/wastewater infrastructure in area

Group's Texas subsidiary to file change of control application with Public Utilities Commission of Texas (PUCT) to acquire remaining outstanding BVRT membership interests

Acquisition is subject to satisfaction of customary terms and conditions in addition to PUCT and Group Board approval

7

BVRT-owned regulated utilities in high-growth areas

19,000+

Total connected & committed customers in 2025

20,000+

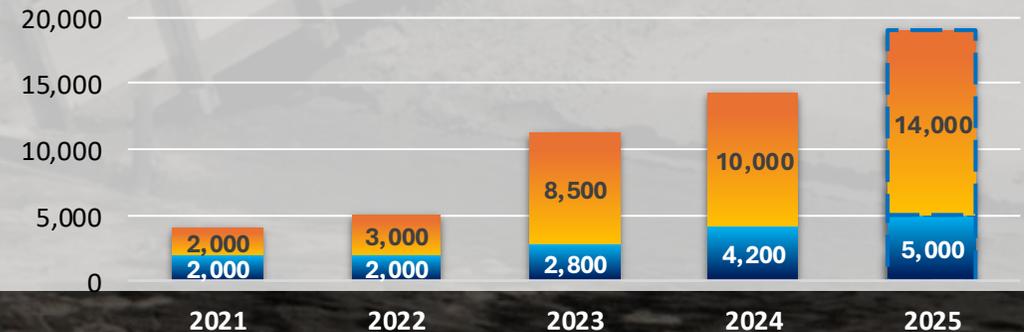
Additional likely customers in existing service areas

100,000+

Additional potential customers near existing service areas

## Customer Growth

Connected Committed





# Proposed Decision on 2024 California General Rate Case Expected by the end of Q1

## \$1.6B

Investment proposed in Cal Water from 2025-2027

## 18

Month-long process for triennial rate case filing with CPUC per the rate case plan; proceeding has been extended

## LUWEP

Application proposes Low-Use Water Equity Program that would decouple revenue from water sales to enhance affordability

### Key 2026 dates

Authorized 3.0% interim rate increase goes into effect



Comments due from parties

Based on prior ALJ Ruling, 90-day deadline for ALJ to issue proposed decision (PD)

After reply comments filed, oral arguments delivered to CPUC, if needed

Extension deadline for final decision; Commissioners can vote as early as 30 days after PD and oral arguments

Requests rate adjustments necessary to generate total revenue increases of:

**\$140.6M**  
(17.1%) **2026**

**\$72.4M**  
(7.7%) **2027**

**\$83.6M**  
(8.1%) **2028**



# Other Regulatory Updates

In November 2025, Hawaii Water filed a rate case with the Hawaii PUC for a **\$2.2 million** annual revenue increase to recover higher operating expenses and the cost of system improvements

HI

In October 2025, the Hawaii PUC approved an annual revenue increase of **\$4.7 million** for Hawaii Water's five Waikoloa systems, with a two-year phase-in beginning Oct. 9, 2025

In June 2024, BVRT filed a consolidated rate case for 5 water utilities with the PUCT

During second quarter 2025, BVRT reached settlement with Consumer Advocate, interim rates were adopted

PUCT approval is pending

TX

In September 2025, Washington Water filed a rate case with the Washington Commission for a **\$4.9 million** annual revenue increase to recover system investments and rising operating costs

WA

Washington Water has completed infrastructure upgrades across multiple systems, including new mains, treatment facilities, booster stations, and remote monitoring to enhance reliability and water quality

The rate request also reflects higher labor, materials, and PFAS compliance costs under new federal regulations

New rates anticipated to be effective second half of 2026



# Our Focus in 2026 and Beyond

- Finalizing transactions and integrating new utilities in TX, NV, and OR
- Implementing 2024 CA GRC, proactively pursuing rate relief in WA, NM, and HI, and preparing to file 2027 CA GRC
- Pursuing growth opportunities in new high-growth areas
- Continuing to invest in water and wastewater system infrastructure
- Staying focused on affordability and growth

# Appendix



**NOTE -**

WELD WING PLATE TO COLUMN - ALL AROUND WITH SIZE WELDS INDICATED.



STRUT TO POST CONN.

BALCONY TO POST & SHELL



POST LADDER CONN.

**NOTE -**

AT ALL COLUMN SPICES, POST LADDERS ARE TO BE BURNED FLUSH WITH EDGE OF COLUMN & REMAINDER OF LADDER CONTINUED ON ADJACENT COLUMN SECTION. AFTER ERECTION OF COLUMNS, BUTT WELD BURNED SECTIONS OF LADDERS AT COL. SPICES, BE SURE I KEEP LADDER RUNS AT 1'-0" SPACING.

**KEY TO WELD SYMBOLS**

| NEAR SIDE                         | FAR SIDE                                  | BOTH SIDES                        |
|-----------------------------------|---|-----------------------------------|
| WELD ALL AROUND<br>SIDE OF PLATE  | LENGTH OF MEMBER<br>FIELD WELD ALL AROUND | WELD ALL AROUND<br>NET OF GASKETS |
| REINFORCED FAR SIDE<br>FIELD WELD | REINFORCED NEAR SIDE<br>FIELD WELD        | WELDED BY GASKETS                 |

WELDS ON BOTH SIDES ARE SAME UNLESS OTHERWISE SHOWN IN JOINTS IN WHICH ONE MEMBER ONLY TO BE GROOVED THE ARROW POINTS TO THAT MEMBER

*100 years*

| REVISIONS |          |     |           | CHICAGO BRIDGE & IRON CO.<br>CHICAGO, ILL. GREENVILLE, TENN. WINNINGHAM, ALA. |  |
|-----------|----------|-----|-----------|---|--|
| No.       | Date     | By  | Reason    |   |  |
| 8         | 12/21/11 | WTC | REVISIONS |   |  |

FIELD WELDING DETAILS -  
TUBULAR COL. ELEV. TAN.



# Non-GAAP Financial Measures

The Company's revenue, net income, and diluted earnings per share are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and represent amounts reported on filings with the Securities and Exchange Commission. Adjusted revenue, net income, and diluted earnings per share are non-GAAP financial measures representing GAAP balances that, in this presentation, are adjusted for the effects of 2023 interim rate relief related to the delayed 2021 California GRC decision recorded by the Company in 2024. These non-GAAP financial measures are provided as additional information for investors and analysts to better assess the Company's 2025 financial performance as compared to 2024 and without the impact of the 2023 interim rate relief on 2024 results. Management also uses these non-GAAP financial measures in evaluating the Company's performance. 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 measures.



# Reconciliation of Non-GAAP Financial Measures

| (in thousands, except per share amounts)   | Year Ended         |                    |
|--|--------------------|--------------------|
|  | 2025               | 2024               |
| <b>Reported GAAP Operating Revenue</b>   | <b>\$1,000,140</b> | <b>\$1,036,806</b> |
| Adjustments:   |                    |                    |
| 2023 interim rate relief related to the 2021 California GRC recorded in 2024         | —                  | (\$87,482)         |
| <b>Adjusted Operating Revenue (non-GAAP)</b>   | <b>\$1,000,140</b> | <b>\$949,324</b>   |
| <b>Reported GAAP Net Income</b>  | <b>\$128,211</b>   | <b>\$190,807</b>   |
| Adjustments:   |                    |                    |
| 2023 interim rate relief related to the 2021 California GRC recorded in 2024         | —                  | (\$63,980)         |
| <b>Adjusted Net Income attributable to California Water Service Group (non-GAAP)</b> | <b>\$128,211</b>   | <b>\$126,827</b>   |
| <b>Reported GAAP Diluted Earnings Per Share</b>                                      | <b>\$2.15</b>      | <b>\$3.25</b>      |
| Adjustments:   |                    |                    |
| 2023 interim rate relief related to the 2021 California GRC recorded in 2024         | —                  | (\$1.09)           |
| <b>Adjusted Diluted Earnings Per Share (non-GAAP)</b>                                | <b>\$2.15</b>      | <b>\$2.16</b>      |