

Fourth Quarter and Full Year 2024 Earnings Presentation

February 27, 2025



Today's Speakers



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Chairman & CEO



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Recent Highlights

1

Strong 2024 results with and without the 2023 interim rate relief impacts from 2021 General Rate Case (GRC) decision

2

Invested record level of capital investments totaling \$471 million

3

Authorization from the CPUC granting a one-year extension in our Cost of Capital Application to May 1, 2026

4

Ongoing and proactive emergency preparedness and response; not impacted by 2025 LA wildfires

5

Progress on the 2024 California GRC filing; Remains on schedule

Fourth Quarter 2024 Financials

<i>(in millions except EPS amounts and percentages)</i>	Q4 2024	Q4 2023	\$ Variance	% Change
Operating Revenue	\$222.2	\$214.5	↑ \$7.7	↑ 3.6%
Operating Expenses	\$189.9	\$179.3	↑ \$10.6	↑ 5.9%
Net Interest Expense	\$14.9	\$12.3	↑ \$2.6	↑ 20.6%
Net Income Attributable to CWT	\$19.7	\$30.1	↓ \$10.5	↓ 34.7%
Diluted Earnings per Share	\$0.33	\$0.52	↓ \$0.19	↓ 36.5%

Note: Due to adoption of the 2021 CA GRC, Q1 2024 revenue and net income included interim rate relief totaling \$87.5M and \$64.0M, respectively, attributable to 2023. This included \$20.2M revenue and \$13.6M net income, respectively, attributable to Q4 2023.

Diluted EPS Bridge Q4 2023 to Q4 2024

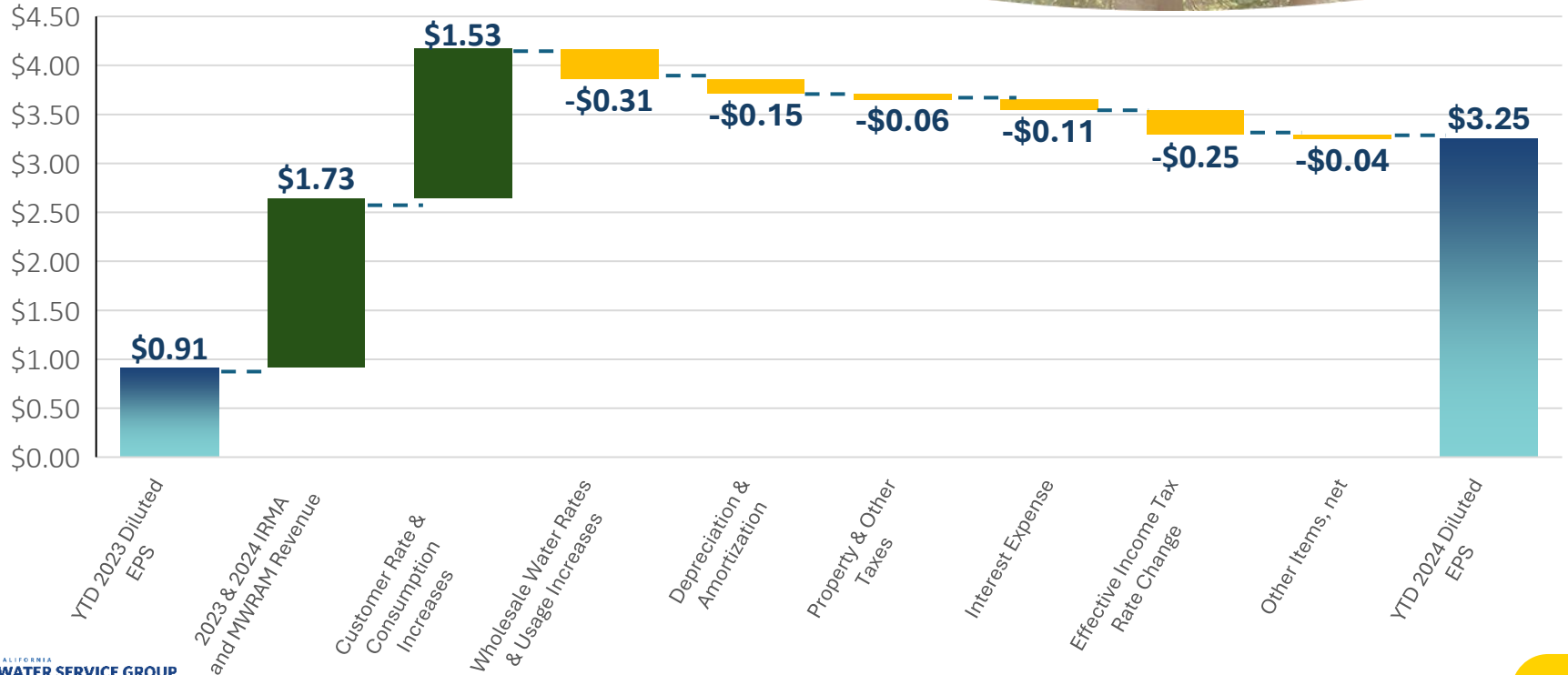


Full Year 2024 Financials

<i>(in millions except EPS amounts and percentages)</i>	2024	2023	\$ Variance	% Change
Operating Revenue	\$1,036.8	\$794.6	↑ \$242.2	↑ 30.5%
Operating Expenses	\$811.8	\$717.5	↑ \$94.3	↑ 13.1%
Net Interest Expense	\$57.6	\$49.8	↑ \$7.7	↑ 15.5%
Net Income Attributable to CWT	\$190.8	\$51.9	↑ \$138.9	↑ 267.6%
Diluted Earnings per Share	\$3.25	\$0.91	↑ \$2.34	↑ 257.1%

Note: Due to adoption of the 2021 CA GRC, Q1 2024 revenue and net income included interim rate relief totaling \$87.5M and \$64.0M, respectively, attributable to 2023.

Diluted EPS Bridge 2023 to 2024

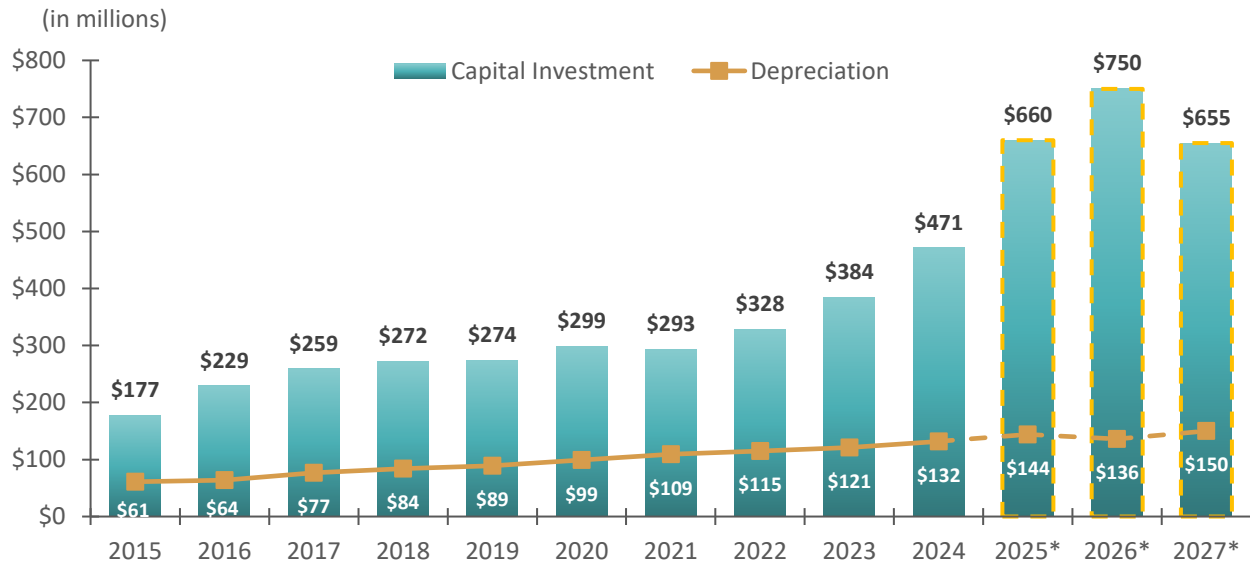


Capital Investment & Depreciation

Growth in capital investment outpaces depreciation

2015-2024 TOTAL
CapEx
3x
DEPRECIATION

CapEx 2025-2027*
>4x
Depreciation

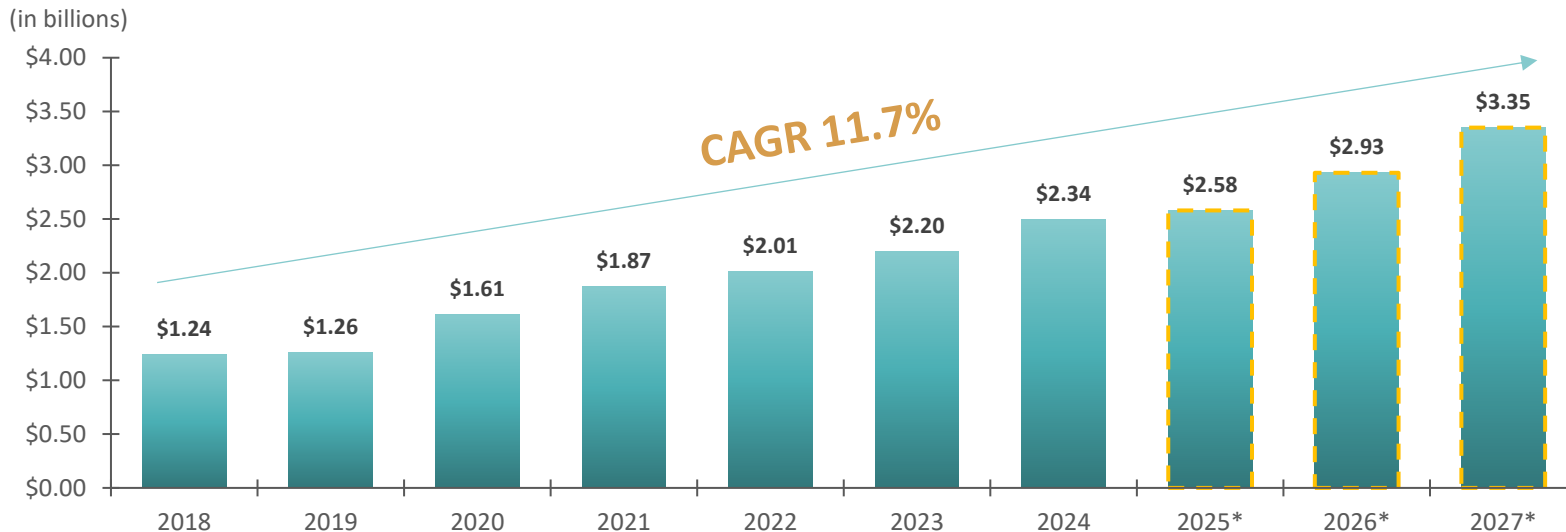


*Estimates for 2025-2027 are based on amounts requested in the 2024 California GRC application plus estimated capital expenditures in other states; these capital expenditures are subject to review and approval by the CPUC and other regulators.

Note: Estimates for 2025-2027 exclude an anticipated \$226.0M (before recovery offsets) of estimated PFAS-related capital investments that will be incurred over multiple years.

Regulated Rate Base Growth

Estimated to achieve over \$3.3 billion by 2027



*2025-2027 rate base estimates include amounts requested in the 2024 California GRC plus estimated rate base in other states; these values are not yet adopted and are subject to review and approval by the CPUC and other regulators.

Note: Amounts presented for 2025-2027 exclude an anticipated \$226.0M (before recovery offsets) in PFAS treatment capital investments that will be incurred over multiple years.

Capital Allocation | Balance Sheet

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



Cal Water received authorization from the CPUC in August 2024 to issue up to **\$1.3 billion** in future debt and equity securities



Group maintained at-the-market stock issuance program; used opportunistically to raise **\$86.5M** during 2024 to support capital growth and business investments



CPUC approved postponement of Cal Water Cost of Capital application to May 2026; authorized capital structure of **53.4%** equity and **46.6%** debt supports future growth

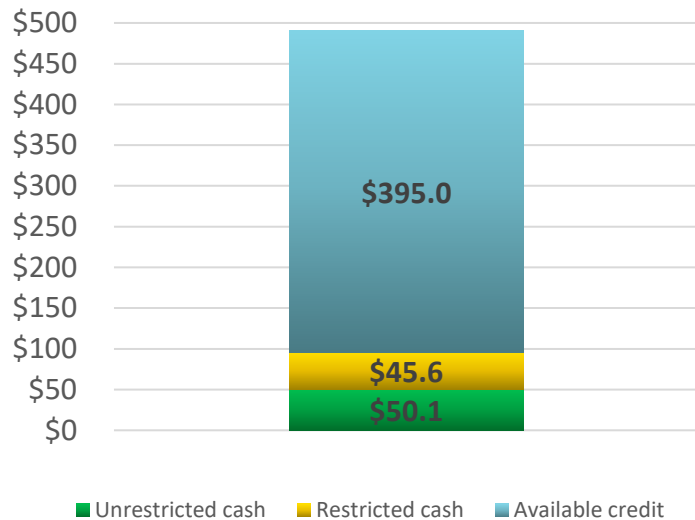


Group announced an **\$0.08** increase in annual dividend; declared 320th consecutive quarterly dividend of **\$0.30** per share and a one-time special dividend of **\$0.04** per share

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 facilities of **\$600M** can be expanded up to **\$800M**; facilities mature in March 2028
- Global credit rating **A+/stable** affirmed at S&P Global
- Cal Water First Mortgage Bonds rated **AA-**

Dividend Program

Strong history of returning cash to shareholders

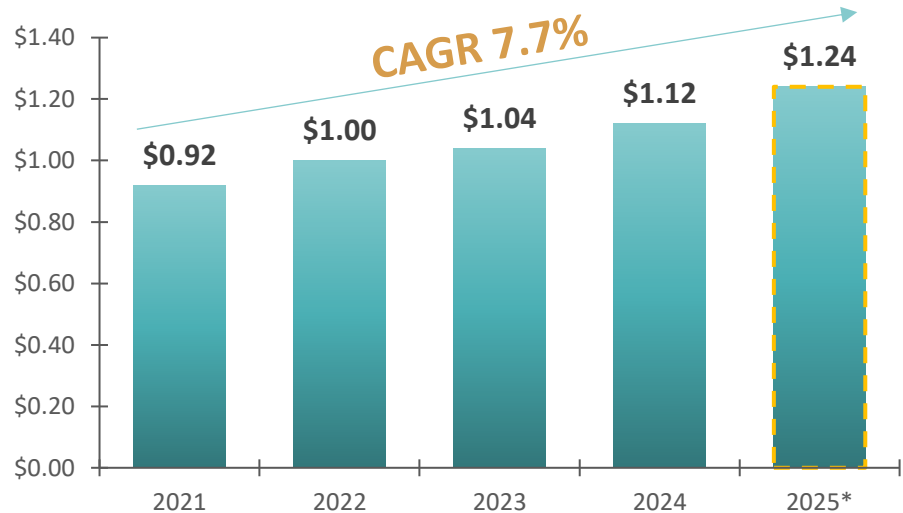
320th Consecutive Quarterly Dividend in Amount of **\$0.30**

58th Annual Increase Expected to Yield Annual Dividend of **\$1.20**

\$0.04 One-Time Special Dividend Brings Anticipated Dividend to **\$1.24**

10.71% Annual Increase (Reflects One-Time Special Dividend)

7.7% Five-Year Dividend CAGR



*Anticipated annual dividend includes one-time special dividend



2024 California General Rate Case

\$1.6B

Investment proposed for Cal Water districts from 2025-27

LUWEP

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

18 (anticipated)

Month-long process begun for triennial filing with CPUC

Key updates since filing:

- Assigned CPUC Commissioner issued Scoping Memo and Ruling in November 2024
- Public participation hearings held for all service areas, with Cal Water receiving strong support
- Company received California Public Advocates report in late January 2025 and is preparing rebuttal in accordance with Scoping Memo and Ruling

Requests rate adjustments necessary to generate total revenue increases of:

- **\$140.6M**, or 17.1%, for 2026
- **\$74.2M**, or 7.7%, for 2027
- **\$83.6M**, or 8.1%, for 2028

Cost of Capital & Other Regulatory Updates

Cost of Capital

- CPUC granted Cal Water request to postpone Cost of Capital Application to May 1, 2026, effectively maintaining Cal Water's current capital structure through Dec. 31, 2026, including 10.27% return on equity
- The CPUC also reauthorized the Water Cost of Capital Mechanism (WCCM). The WCCM automatically adjusts the rate of return when the Moody's Utilities Bond Index fluctuates between Cost of Capital applications
- The ROE will remain 10.27% through Dec. 31, 2026, unless the WCCM is triggered when next measured on Sept. 30, 2025. If a change in the ROE is required, it would become effective on Jan. 1, 2026

Other States

- Group has initiated a more proactive approach in pursuing rate adjustments in other states
- This will enable us to recover on our capital investments in a more timely manner
- This approach should benefit customers by providing for smaller, incremental adjustments rather than large increases on a less frequent basis

Emergency Preparedness & Response Leadership



Dedicated Training

Regular Community Emergency Operations Response training across service areas, including notable Hawaii Water drills (July 2024) with multi-agency participation



Investment in Safety

Nearly \$1M of stockholder funds contributed over last five years to support local fire agencies across service areas; including \$175,000 in 2024



Proactive Wildfire Mitigation

Comprehensive approach including vegetation management, infrastructure upgrades, crew positioning, and backup power systems



Community Support

\$100,000 contributed to multiple organizations to support Southern California wildfire relief efforts

The Year Ahead



Continue to progress 2024 California GRC and work toward a timely resolution



Stay keenly focused on expense management as Cal Water enters the third year of the 2021 GRC



Refresh S-3 filing in support of renewing At-The-Market (ATM) program; expected to be completed in first half of 2025



Continue to execute our capital investment plan, which includes projects designed to protect our assets from natural disaster impacts



Evaluate strategic growth areas including through targeted domestic M&A



Provide our customers with best-in-class service and support





Conclusion

