

California Water Service Group

March 2025



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, pursue, believes, may, could, continue, estimates, assumes, anticipates, indicates, 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 revenue and other financial results, operating plans, future growth, capital investments or expenditures, acquisitions, depreciation, customer and rate base growth, market size, Group's plans and proposals pursuant to Cal Water's General Rate Case (GRC) filed on July 8, 2024, authorized cost of capital, compliance with PFAS regulations, cost recovery, sufficiency of cash and liquidity to support capital investment and growth, capital allocation including dividends, and ESG initiatives, including initiatives and commitments to reduce GHG emissions. 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 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: 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; housing and customer growth; 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, including wildfires and landslides, 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 most recent 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 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.

Today's Speakers



Marty Kropelnicki
Chairman & CEO



James Lynch
Sr. Vice President, CFO & Treasurer



Who We Are



Our Company At-a-Glance



1926

Company founded

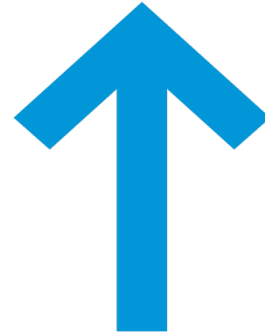


93B+

Gallons of drinking water delivered, annually

1,270+

Employees



58 Years

The annual dividend has increased

2M+

Population served

680M+

Gallons of waste-water processed, annually

560K+

Service connections

\$1.5M+

Contributed to charitable organizations

Consecutive annual dividends paid since

1948

Our mission:

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

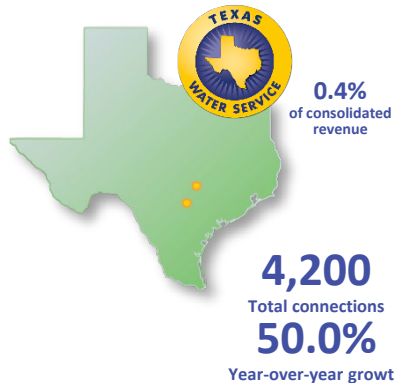
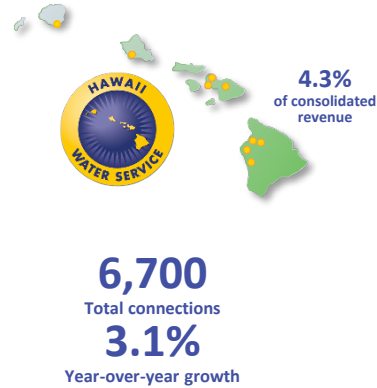
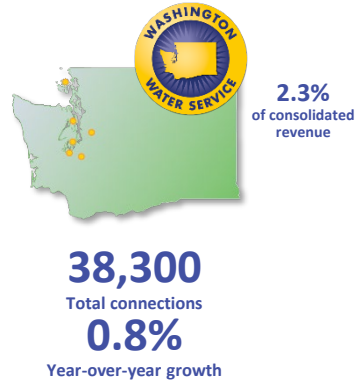
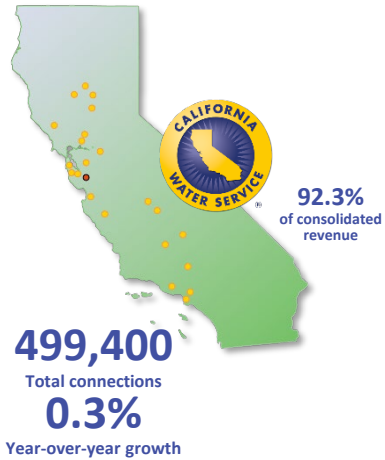
Our purpose:

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

2024 revenue
\$1.04B*

2024 net income
\$190.8M*

\$178.7M

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-

**2024 revenue and net income
impacted by interim rate
relief from the delay in 2021
CA General Rate Case (GRC)
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 with sustained long-term growth

Increasing rate base has been primary growth driver; 10-year **11.7%** CAGR

Capital Structure



Group authorized capital structure of **58.2%** equity and **41.8%** debt supportive of future growth

CA-authorized ROE affirmed at **10.27%** through 2026

Return of Cash



Strong history of returning cash to shareholders through dividend policy

Declared **320th** consecutive quarterly dividend and one-time dividend of \$0.04 per share; announced **58th** consecutive annual dividend increase

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





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 underway and currently on schedule 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 Authorization to postpone Cost of Capital Application to May 1, 2026; effectively maintaining Cal Water's current capital structure through December 31, 2026, including 10.27% return on equity, subject to changes in the Water Cost of Capital Mechanism (WCCM)
- The CPUC also reauthorized the 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 is expected to 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

Proactive Wildfire Mitigation



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

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

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 towards a timely resolution



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



Lead water industry efforts to recover treatment costs from PFAS manufacturers



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





Group Executing Plan to Meet New PFAS Standards and Continues to Pursue Cost Recovery

EPA adopted new National Primary Drinking Water Regulation for certain PFAS in Q2 2024*

Group has been preparing for new regulation and believes well positioned to meet requirements before compliance deadlines

EPA also designated 2 PFAS (PFOA & PFOS) hazardous substances under Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)

*MCLs of 4 PPT for PFOA & PFAS; MCLs of 10 PPT for PFHxS, PFNA, and GenX; and a combined Hazard Index of 1.0 for PFBS, PFHxS, PFNA, and GenX



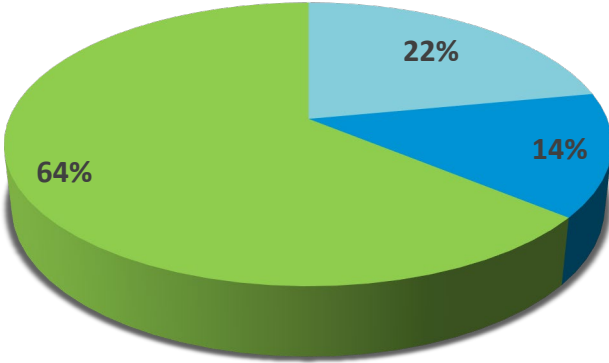
Strategic, Continual Growth



Responsible Infrastructure Investment:

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

2024 Investment Breakdown



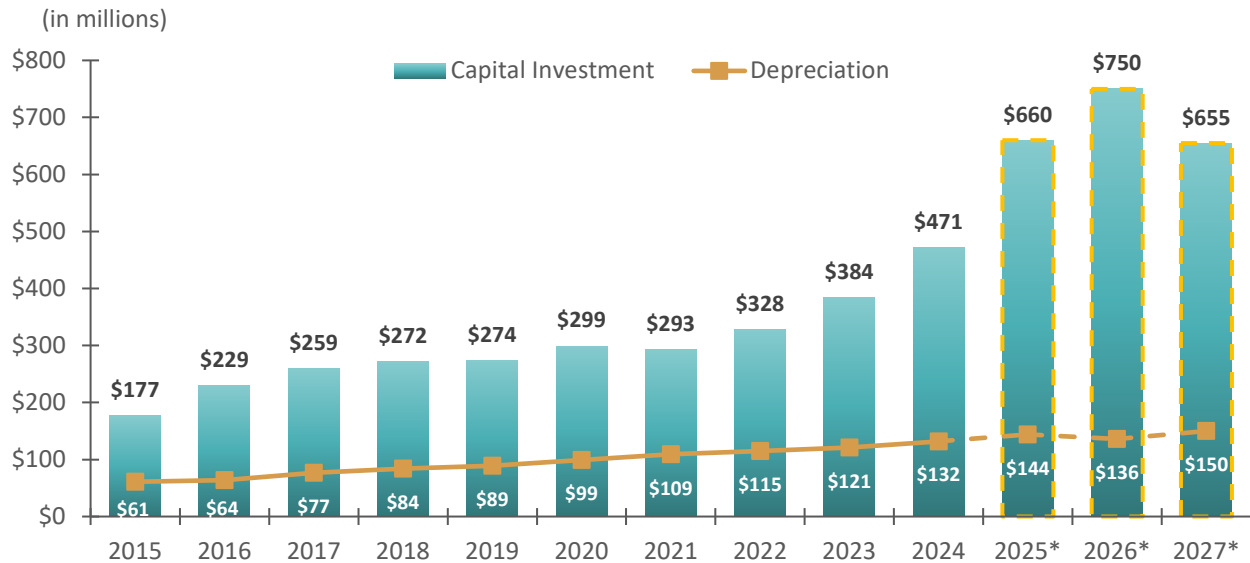
- Water pipes (mains and services)
- Structures, pumps, wells, land, storage, and treatment
- Other

Capital Investment & Depreciation

Growth in capital investment outpaces depreciation

2015-2024 TOTAL
CapEx
3x
DEPRECIATION

CapEx 2025-2027*
>4x
Depreciation

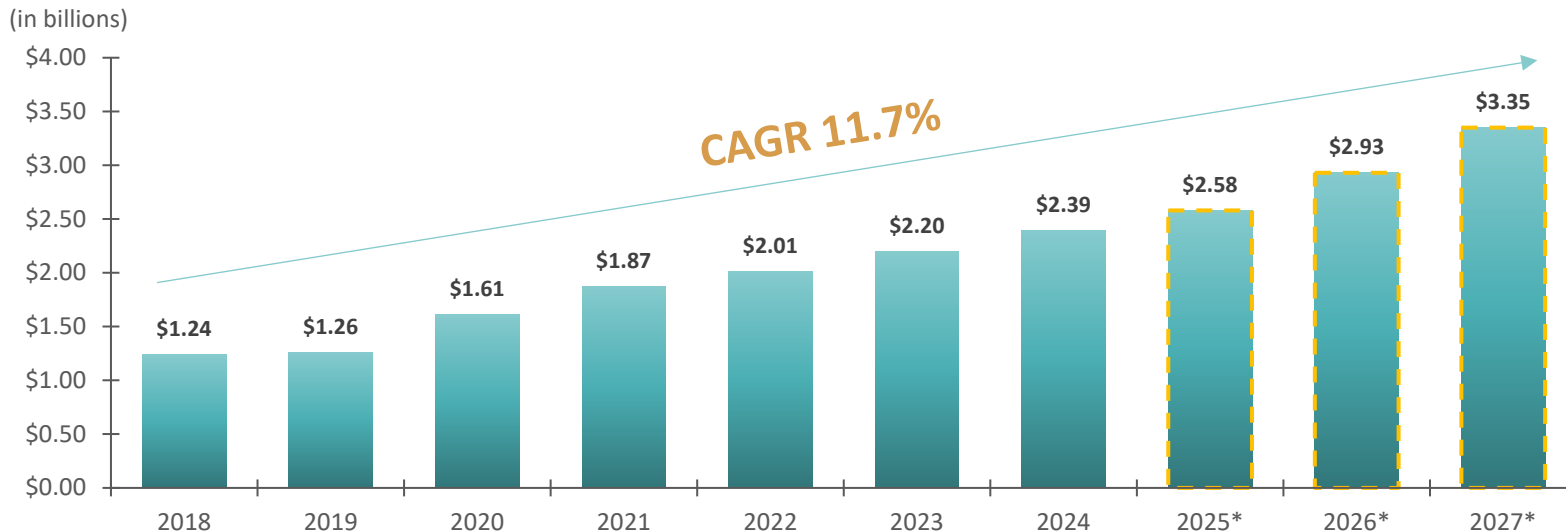


*Estimates for 2025-2027 are based on amounts requested in the 2024 California GRC application plus estimated capital expenditures in other states; these capital expenditures are subject to review and approval by the CPUC and other regulators.

Note: Estimates for 2025-2027 exclude 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.

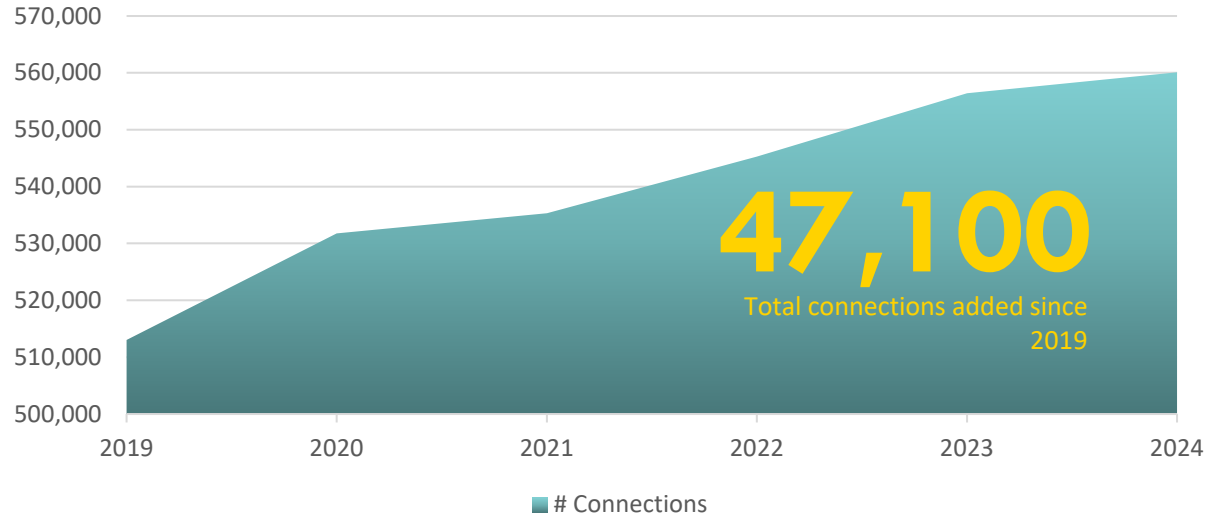
Note: Amounts presented for 2025-2027 exclude an anticipated \$226.0M (before recovery offsets) in PFAS treatment capital investments that will be incurred over multiple years.

Strategic Acquisitions

2-2.5%

Average growth achieved per year from new business and business development activities since 2019

Customer Count*



*excludes operating contracts



Group & BVRT Water Resources

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

2021

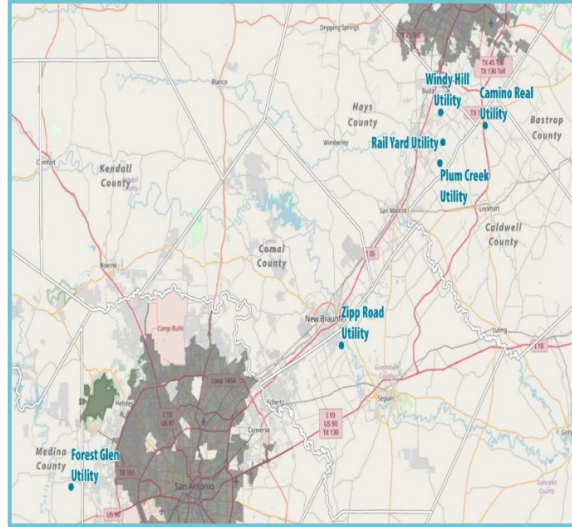
Group invested in BVRT Water Resources, a privately owned regional water & sewer utility



Majority shareholder of BVRT

7

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 2024, 4 of top 15 metropolitan areas for population growth in U.S. were in Texas

10,000+

Total connected & committed customers in 2024

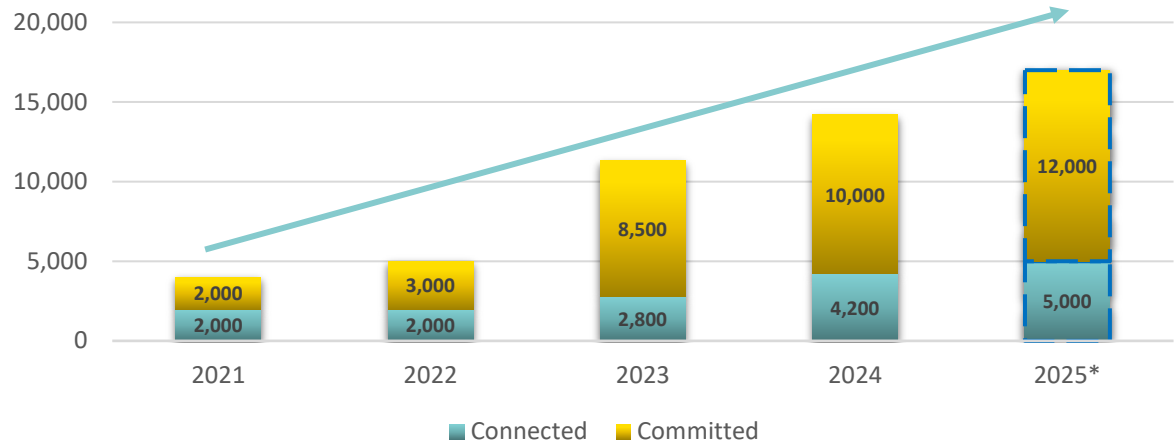
20,000+

Additional likely customers in existing service areas

100,000+

Additional potential customers near existing service areas

Anticipated Customer Growth



*Estimated customer counts based on developer buildout schedules and connection deposits.

Strong Financial Performance



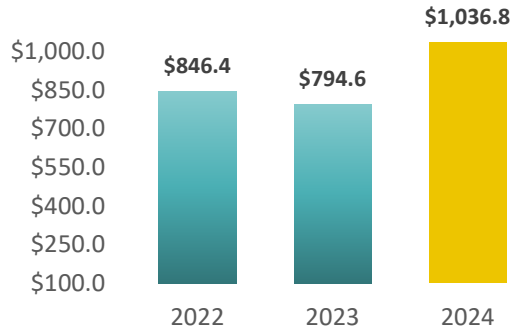
Strong Financial Performance



Strong 2024 financial results driven primarily by March 2024 decision Cal Water received in its 2021 GRC

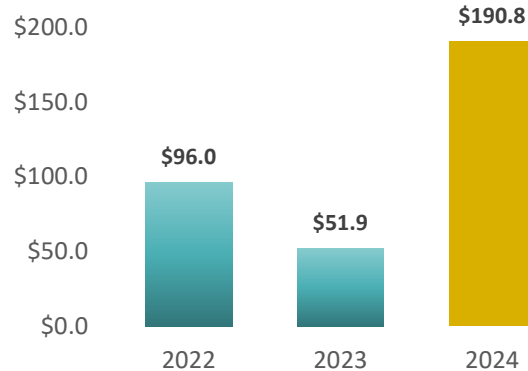
Three-Year Revenue

(in millions)

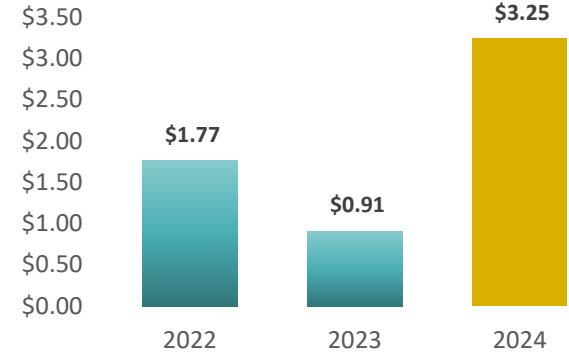


Three-Year Net Income

(in millions)



Three-Year Diluted EPS

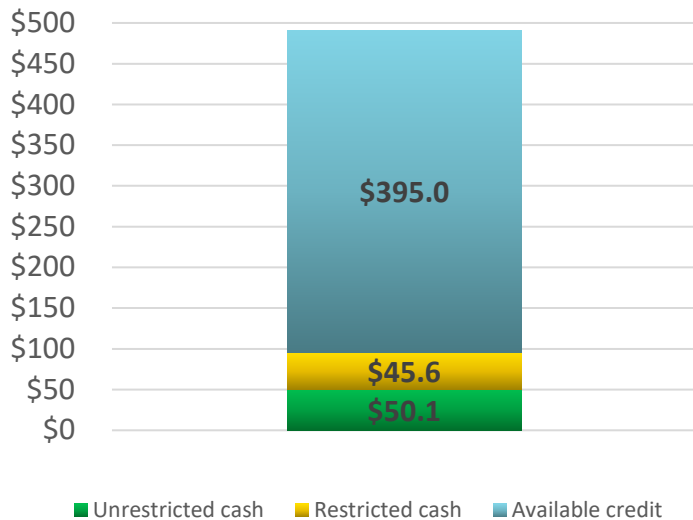


As result of delay in the 2021 decision, interim rate relief related to 2023 was recorded in 2024, including revenue of **\$87.5 million**, net income of **\$64.0 million**, and diluted EPS of **\$1.09**.

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** that 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-**

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

Dividend Program

Strong history of returning cash to shareholders

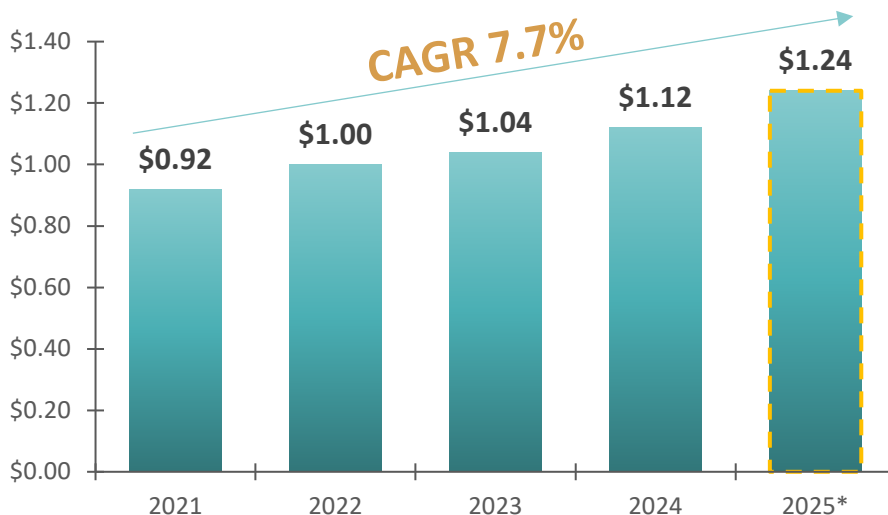
320th Consecutive Quarterly Dividend in Amount of **\$0.30**

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

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

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

7.7% Five-Year Dividend CAGR



*Anticipated annual dividend includes one-time special dividend



**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. Access at <https://www.calwatergroup.com/esg/reports-disclosures>.



Awards and Ratings Reflect Strong Sustainability Performance



Earned US EPA 2024 “**Excellence in Promoting WaterSense® Labeled Products**” award



Earned regional **Top Workplace** designation for 12th time in 2024 and **USA Top Workplace** for first time in 2025



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



Earned **Great Place to Work®** certification for 9th consecutive year in 2024



ESG corporate rating:
B / “Prime”

QualityScore:
Governance: 1
Environment: 4
Social: 4



ESG rating: **A**



ESG score: **A-**



Public disclosure score: **B**



24.2 “medium risk”

How to Reach Us



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Questions?

