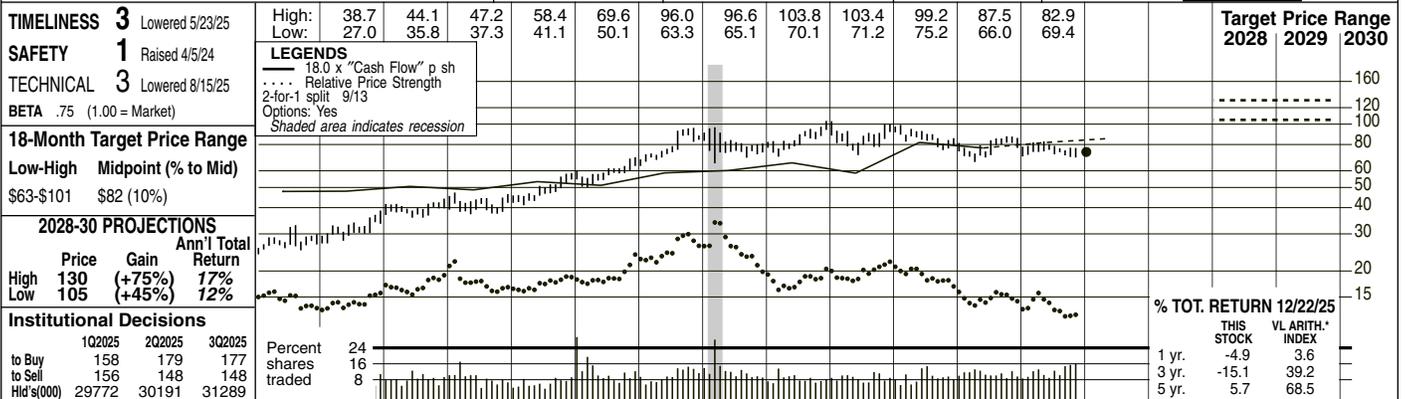


# AMER. STATES WATER NYSE-AWR

RECENT PRICE **73.68** P/E RATIO **21.9** (Trailing: 21.8, Median: 30.0) RELATIVE P/E RATIO **1.17** DIV'D YLD **2.8%** VALUE LINE



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
9.74	10.71	11.12	12.12	12.19	12.17	12.56	11.92	12.01	11.88	12.86	13.24	13.51	13.30	16.11	15.61	16.40	17.30	Revenues per sh	19.65
1.70	2.11	2.13	2.48	2.65	2.67	2.81	2.70	2.96	2.84	3.26	3.34	3.64	3.25	4.55	4.29	4.55	4.75	"Cash Flow" per sh	5.90
.81	1.11	1.12	1.41	1.61	1.57	1.61	1.62	1.88	1.72	2.28	2.33	2.55	2.11	3.36	3.17	3.30	3.45	Earnings per sh A	4.35
.51	.52	.55	.64	.76	.83	.87	.91	.99	1.06	1.16	1.28	1.40	1.53	1.66	1.79	1.94	2.10	Div'd Decl'd per sh B	2.65
2.09	2.12	2.13	1.77	2.52	1.89	2.39	3.55	3.08	3.44	4.12	3.54	3.91	4.50	5.10	6.08	6.00	6.05	Cap'l Spending per sh	5.50
9.70	10.13	10.84	11.80	12.72	13.24	12.77	13.52	14.45	15.19	16.33	17.39	18.57	19.20	20.99	24.12	26.20	27.55	Book Value per sh D	33.25
37.06	37.26	37.70	38.53	38.72	38.29	36.50	36.57	36.68	36.76	36.85	36.89	36.94	36.96	36.98	38.15	38.75	39.00	Common Shs Outst'g C	40.00
21.2	15.7	15.4	14.3	17.2	20.1	24.6	25.6	25.7	34.0	34.4	34.3	33.2	41.0	25.7	24.5	22.9		Avg Ann'l P/E Ratio	27.0
1.41	1.00	.97	.91	.97	1.06	1.24	1.34	1.29	1.84	1.83	1.76	1.79	2.37	1.43	1.30	1.27		Relative P/E Ratio	1.50
2.9%	3.0%	3.2%	3.1%	2.7%	2.6%	2.2%	2.2%	2.0%	1.8%	1.5%	1.6%	1.7%	1.8%	1.9%	2.3%	2.6%		Avg Ann'l Div'd Yield	2.4%

CAPITAL STRUCTURE as of 9/30/25		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Debt	\$795.8 mill. Due in 5 Yrs \$478.0 mill.	458.6	436.1	440.6	436.8	473.9	488.2	498.9	491.5	595.7	595.5	635	675	675	675	675	675	675	675
LT Debt	\$790.3 mill. LT Interest \$40.0 mill. (44% of Cap'l)	60.5	59.7	69.4	63.9	84.3	86.4	94.3	78.4	124.9	119.3	128	135	135	135	135	135	135	135
		38.4%	36.8%	36.0%	22.0%	22.6%	24.6%	24.4%	23.2%	25.0%	20.2%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
		--	--	--	--	--	--	--	--	2.5%	--	Nil							
		41.1%	39.4%	38.0%	40.5%	44.4%	47.2%	46.1%	39.9%	52.8%	46.7%	44.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%
		58.9%	60.6%	62.0%	59.5%	55.6%	52.8%	53.9%	60.1%	47.2%	53.3%	56.0%	54.0%	54.0%	54.0%	54.0%	54.0%	54.0%	54.0%
		791.5	815.3	854.9	938.4	1082.5	1216.2	1272.6	1181.5	1643.2	1725.4	1810	2000	2000	2000	2000	2000	2000	2000
		1060.8	1150.9	1205.0	1296.3	1415.7	1512.0	1626.0	1753.8	1892.3	2099.6	2275	2425	2425	2425	2425	2425	2425	2425
		9.0%	8.6%	9.3%	7.9%	8.9%	8.0%	8.3%	7.6%	8.8%	8.3%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
		13.0%	12.1%	13.1%	11.4%	14.0%	13.5%	13.8%	11.0%	16.1%	13.0%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
		13.0%	12.1%	13.1%	11.4%	14.0%	13.5%	13.8%	11.0%	16.1%	13.0%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
		6.0%	5.3%	6.2%	4.5%	6.9%	6.1%	6.2%	3.1%	8.2%	5.7%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
		54%	56%	52%	61%	51%	55%	55%	72%	49%	56%	59%	61%	61%	61%	61%	61%	61%	61%

**Leases, Uncapitalized:** Annual rentals \$2.4 mill.  
**Pension Assets-12/24** \$195.0 mill.  
**Oblig.** \$217.0 mill.  
**Pfd Stock** None  
**Common Stock** 38,714,426 shs. as of 11/4/25  
**MARKET CAP:** \$2.9 billion (Mid Cap)

**CURRENT POSITION (SMILL.)**

	2023	2024	9/30/25
Cash Assets	14.1	26.7	26.1
Accts Receivable	34.3	37.7	46.6
Other	157.6	168.9	178.1
Current Assets	206.0	233.3	250.8
Accts Payable	68.7	88.6	81.7
Debt Due	42.4	124.4	5.5
Other	55.5	72.5	110.3
Current Liab.	166.6	285.5	197.5

**BUSINESS:** American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Co., it supplies water to 264,557 customers in 10 California counties. Service areas include the metropolitan areas of Los Angeles and Orange Counties. The company also provides electricity to 24,857 customers in Big Bear Lake and San Bernardino Cnty. Provides water & wastewater services to U.S. military bases through its ASUS subsidiary. Sold Chaparral City Wtr. of AZ. (6/11). Employs 846. BlackRock, Inc. owns 17.6% of out. shares; Vanguard, 12.0%; off. & dir., 0.8% (4/25 Proxy). Chair: Anne M. Holloway. Pres. & CEO: Robert Sprowls, Inc. CA. Address: 630 East Foothill Blvd., San Dimas, CA 91773. Tel.: 909-394-3600. Int.: www.aswater.com.

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '22-'24 to '28-'30

Revenues	2.0%	4.0%	4.5%
"Cash Flow"	4.5%	6.0%	6.5%
Earnings	6.5%	8.0%	7.0%
Dividends	8.5%	9.0%	8.0%
Book Value	5.5%	7.0%	7.5%

**American States Water probably finished 2025 with a decent showing.** The water company's fourth-quarter share earnings probably came in at approximately \$0.67. The year-over-year comparison is not as negative as it appears, however, because 2024's figure was aided by an unusual income gain.

**This year will likely show similar bottom-line growth.** In the second year of higher rates being in effect due to the previous rate case, American States' core Golden State Water subsidiary should enable the company's earnings per share to rise \$0.15, or 4% to 5%. The nonutility business (more below) could make our estimate conservative.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2022	108.6	122.5	135.0	125.4	491.5
2023	161.4	157.4	151.7	125.2	595.7
2024	135.3	155.3	161.8	143.1	595.5
2025	148.3	163.1	182.7	140.9	635
2026	155	175	185	160	675

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2022	.38	.54	.69	.50	2.11
2023	.93	1.03	.85	.55	3.36
2024	.62	.85	.95	.75	3.17
2025	.70	.87	1.06	.67	3.30
2026	.72	.92	1.10	.71	3.45

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2021	.335	.335	.365	.365	1.40
2022	.365	.365	.3975	.3975	1.53
2023	.3975	.3975	.43	.43	1.66
2024	.43	.43	.4655	.4655	1.79
2025	.4655	.4655	.504	.504	

**ASUS ought to continue to boost American States overall profitability.** Through this nonregulated business, the company competes to win bids on 50-year contracts to run the water systems on United States' military installations. Higher returns can be achieved here than by Golden State, where returns are capped by regulators. As more army bases privatize their water systems, ASUS may increase its market share and could account for nearly 20% of 2026's net income.

**Dividend growth prospects are bright.** We think that the company's annual distribution can increase 7% to 9% through late decade. This level is about the best in the Water Utility Industry.

**Regulatory treatment could be a problem if inflation doesn't remain stable.** In California, utilities file for rate relief to recover higher costs every three years. With customer's bills set to be raised each year out to 2027, keeping pace with growing expenses ought to be covered. Operating in the state has become expensive, though. Thus, the utility wouldn't be reimbursed for most unexpected expenses until 2028. A bright spot is that despite a checkered history with gas and electric utilities, California regulatory authorities have been reasonable to water companies.

**This stock is neutrally ranked for relative year-ahead performance.** Over the pull to 2028-2030, the outlook is more positive. Shares of AWR have been laggards during the past five years. So, at the recent quote, the equity offers attractive long-term total return potential.

(A) Primary earnings. Excludes nonrecurring gains/(losses); '10, (23c); '11, 10c. Next earnings report due early February.  
 (B) Dividends historically paid in early March.  
 (C) In millions, adjusted for split.  
 (D) Includes intangibles. As of 12/31/24; \$8.0 million/\$0.21 a share.

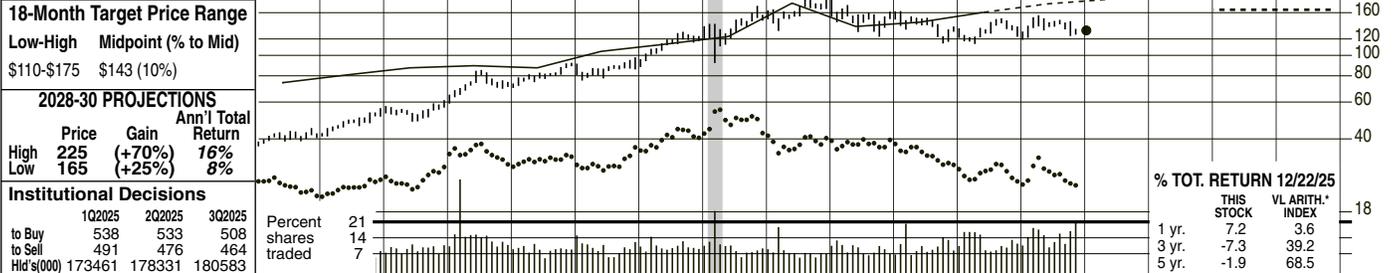
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Case No. 2025-00354  
 Bluegrass Water Response to PSC 2-5  
 Exhibit PSC 2-5  
 Page 1 of 7

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Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	60
Earnings Predictability	80

<b>TIMELINESS</b> 4 Lowered 5/30/25	High: 56.2 61.2 85.2 92.4 98.2 129.9 172.6 189.6 189.3 162.6 150.7 155.5	Low: 41.1 48.4 58.9 70.0 76.0 88.0 92.0 131.0 122.8 114.3 113.3 118.7	<b>Target Price Range</b> 2028 2029 2030
<b>SAFETY</b> 2 Raised 10/4/24	<b>LEGENDS</b> — 17.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession		320 200 160 120 100 80 60 40
<b>TECHNICAL</b> 4 Lowered 1/2/26			
<b>BETA</b> .80 (1.00 = Market)			



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
13.98	15.49	15.18	16.25	16.28	16.78	17.72	18.54	18.81	19.04	19.97	20.83	21.58	20.85	21.74	24.03	26.00	25.75	Revenues per sh	31.25
2.89	3.56	3.73	4.27	4.36	4.75	5.13	5.26	5.14	6.15	6.65	7.24	10.46	8.08	8.46	9.43	10.35	10.90	"Cash Flow" per sh	12.60
1.25	1.53	1.72	2.11	2.06	2.39	2.64	2.62	2.38	3.15	3.43	3.91	6.95	4.51	4.90	5.39	5.75	6.10	Earnings per sh <sup>A</sup>	7.50
.82	.86	.90	1.21	.84	1.21	1.33	1.47	1.62	1.78	1.96	2.15	2.36	2.57	2.78	3.00	3.25	3.50	Div'd Decl'd per sh <sup>B</sup>	4.45
4.50	4.38	5.27	5.25	5.50	5.33	6.51	7.36	8.04	8.78	9.15	10.05	9.71	12.63	13.22	14.65	15.30	17.00	Cap'l Spending per sh	16.00
22.91	23.59	24.11	25.11	26.52	27.39	28.25	29.24	30.13	32.42	33.83	35.58	40.18	42.30	50.31	53.01	56.10	61.45	Book Executive per sh <sup>D</sup>	75.70
174.63	175.00	175.66	176.99	178.25	179.46	178.28	178.10	178.44	180.68	180.81	181.30	181.61	181.86	194.73	194.92	196.00	205.00	Common Shs Outst'g <sup>C</sup>	210.00
15.6	14.6	16.8	16.7	19.9	20.0	20.5	27.7	33.8	27.3	32.9	35.3	23.6	33.6	28.6	24.4	24.0		Avg Ann'l P/E Ratio	26.0
1.04	.93	1.05	1.06	1.12	1.05	1.03	1.45	1.70	1.47	1.75	1.81	1.28	1.94	1.59	1.30	1.33		Relative P/E Ratio	1.45
4.2%	3.8%	3.1%	3.4%	2.0%	2.5%	2.5%	2.0%	2.0%	2.1%	1.7%	1.6%	1.4%	1.7%	2.0%	2.3%	2.4%		Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 9/30/25				2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	28-30			
Total Debt \$15276 mil. Due in 5 Yrs \$4605 mil.				3159.0	3302.0	3357.0	3440.0	3610.0	3777.0	3920.0	3792.0	4234.0	4684.0	5100	5275	5100	5275	5100	5275	5100	5275	5100	5275	Revenues (Smill)	6250
LT Debt \$13002 mil. LT Interest \$550 mil. (54% of Cap'l)				476.0	468.0	426.0	567.0	621.0	709.0	1263.0	820.0	944.0	1051.0	1125	1250	1125	1250	1125	1250	1125	1250	1125	1250	Net Profit (Smill)	1575
Leases, Uncapitalized: Annual rentals \$10.0 mill.				39.1%	39.2%	53.3%	28.2%	25.5%	23.3%	23.0%	18.7%	21.1%	22.7%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	Income Tax Rate	22.5%
Pension Assets 12/24 \$1392.0 mill. Oblig. \$1560.0 mill.				--	--	--	--	--	--	--	--	5.1%	2.9%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	AFUDC % to Net Profit	3.5%
Pfd Stock \$3.0 mill. Pfd Div'd \$1 mill.				53.7%	52.4%	54.7%	56.3%	58.5%	59.1%	58.6%	58.7%	54.5%	54.8%	54.5%	54.5%	54.5%	54.5%	54.5%	54.5%	54.5%	54.5%	54.5%	54.5%	Long-Term Debt Ratio	56.5%
Common Stock 195,123,565 shares as of 10/20/25				46.2%	47.5%	45.3%	43.6%	41.4%	40.9%	41.4%	41.3%	45.5%	45.2%	45.5%	45.5%	45.5%	45.5%	45.5%	45.5%	45.5%	45.5%	45.5%	45.5%	Common Equity Ratio	43.5%
MARKET CAP: \$25.7 billion (Large Cap)				10911	10967	11875	13433	14760	15787	17639	18619	21512	22850	24100	27800	24100	27800	24100	27800	24100	27800	24100	27800	Total Capital (Smill)	36500
CURRENT POSITION				13933	14992	16246	17409	18232	19710	21084	23223	25438	28038	30150	32100	30150	32100	30150	32100	30150	32100	30150	32100	Net Plant (Smill)	39000
CASH FLOW				5.7%	5.6%	4.9%	5.4%	5.4%	5.7%	8.2%	5.5%	5.4%	5.7%	6.0%	5.5%	6.0%	5.5%	6.0%	5.5%	6.0%	5.5%	6.0%	5.5%	Return on Total Cap'l	6.0%
Earnings				9.4%	9.0%	7.9%	9.7%	10.1%	11.0%	17.3%	10.7%	9.6%	10.2%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	Return on Shr. Equity	10.0%
Dividends				9.4%	9.0%	7.9%	9.7%	10.1%	11.0%	17.3%	10.7%	9.6%	10.2%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	Return on Com Equity	10.0%
Book Value				4.7%	4.0%	2.5%	4.2%	4.4%	5.0%	11.4%	4.6%	4.2%	4.5%	4.5%	4.0%	4.7%	4.0%	4.7%	4.0%	4.7%	4.0%	4.7%	4.0%	Retained to Com Eq	4.0%
All Div'ds to Net Prof				50%	56%	68%	56%	57%	55%	34%	57%	56%	56%	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	All Div'ds to Net Prof	59%

**BUSINESS:** American Water Works Company, Inc. is the largest investor-owned water and wastewater utility in the U.S., providing services to approximately 14 million people in 24 states. Nonregulated business assists municipalities and military bases with the maintenance and upkeep as well. Regulated operations made up 92% of 2024 revenues. Pennsylvania (23%); New Jersey (21%); Missouri (14%); and Illinois (11%) are its largest markets. Has 6,700 employees. Vanguard owns 12.3% of outstanding shares; BlackRock, 10.1%; State St., 5.7%; officers & directors, less than 1.0% (3/25 Proxy). President & Chief Executive Officer: M. Susan Hardwick. Address: 1 Water Street, Camden, NJ 08102. Telephone: 856-346-8200. Internet: www.amwater.com.

**American Water Works has agreed to merge with Essential Utilities.** In late October, the two mostly water utilities (the latter also has a substantial natural gas utility operation), agreed to an all-stock deal with an enterprise value of about \$63 billion. According to the terms of the deal, each Essential share will be converted to .305 of a share of American Water Works. When the transaction is completed, AWK stockholders will control around 69% of the company with Essential stakeholders owning the remaining interest. Should the merger be approved, the combined corporation would have a market capitalization of around \$40 billion. Operations would be conducted in 17 states and 4.7 million customers would be served. American Water's President and CEO would retain both positions, while Essential's CEO would be Vice Chair of the board of directors. The American Water Works name would be kept, too.

**We believe that the combination would be worthwhile for both utility customers and shareholders.** In the water utility business, size does make a difference. Indeed, for many years, both companies have been boosting their profits by acquiring smaller less-efficient water districts, and then eliminating redundant expenses and integrating the acquired assets into their own operations. Using this strategy has helped lower costs while increasing income. The transaction is expected to be completed by the end of the first quarter of 2026. The date may be optimistic considering all the approvals required.

**The company's annual earnings growth target remains a healthy 7% to 9%.** The fact that the projection is coming from a water utility, makes it even more attractive. Demand for water is relatively inelastic. The risk factor here is on the regulatory side, where the states have treated water utilities reasonably over the past decade. (Note that our presentation will not include the proposed merger until the deal is consummated.)

**Conservative investors with a long-term horizon may find these shares of interest.** The stock is ranked to underperform the market in the coming year. However, out to 2028-2030, the equity offers above-average total return potential.

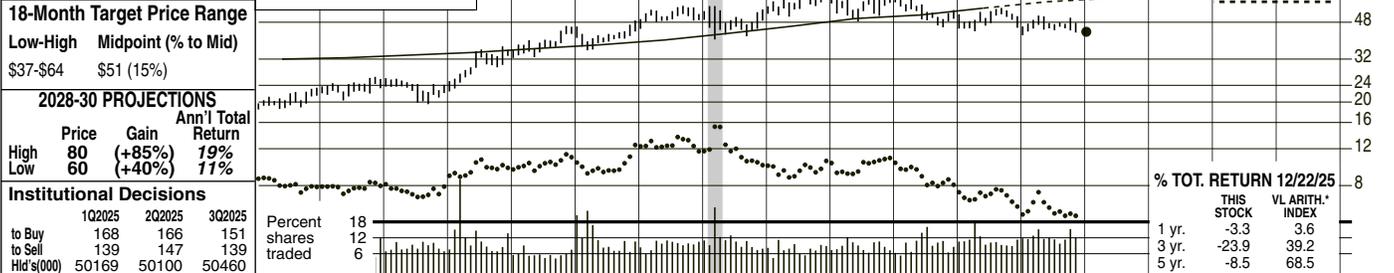
*James A. Flood*  
*January 2, 2026*

<b>(A)</b> Diluted earnings. Excludes nonrecurr. losses: '09, \$2.63; '11, \$0.07. Disc. oper.: '11, \$0.03; '12, (\$0.10); '13, (\$0.01). GAAP used as of 2014. Includes \$2.70 sh. gain from sale of HOS sub. in Q4,'21. Next earnings report due early February.	<b>(B)</b> Dividends paid in March, June, September, and December. ■ Div. reinvestment available.	<b>(C)</b> In millions. <b>(D)</b> Includes intangibles. On 12/31/24: \$1.229 billion, \$6.31/share.	<b>Company's Financial Strength</b> B++ <b>Stock's Price Stability</b> 85 <b>Price Growth Persistence</b> 50 <b>Earnings Predictability</b> 65
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# CALIFORNIA WATER NYSE-CWT

RECENT PRICE **43.28** P/E RATIO **18.3** (Trailing: 18.9 Median: 29.0) RELATIVE P/E RATIO **0.98** DIV'D YLD **2.8%** VALUE LINE

TIMELINESS <b>4</b> Lowered 5/30/25	High: 26.4 26.0 36.8 46.2 49.1 57.5 57.4 72.1 72.0 63.9 56.3 51.6	Target Price Range 2028 2029 2030
SAFETY <b>2</b> Raised 4/5/24	Low: 20.3 19.5 22.5 32.4 35.3 44.6 39.7 51.0 48.5 45.4 43.5 41.3	120 100 80 64 48 32 24 20 16 12 8
TECHNICAL <b>3</b> Raised 1/2/26	LEGENDS — 50.00 x Dividends p sh ... Relative Price Strength Options: Yes Shaded area indicates recession	
BETA .80 (1.00 = Market)		



2028-30 PROJECTIONS		Ann'l Total Return
High	Price	Gain
80	80	+85%
60	60	+40%
		19%
		11%

Institutional Decisions		Percent shares traded
12/2025	2/2025	3/2025
to Buy 168	166	151
to Sell 139	147	139
Hld's(000) 50169	50100	50460

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
10.82	11.05	12.00	13.34	12.23	12.50	12.29	12.70	13.89	14.53	14.72	15.78	14.72	15.22	13.77	17.43	18.35	20.55	Revenues per sh	24.00
1.93	1.93	2.07	2.32	2.21	2.47	2.22	2.34	3.00	3.11	3.14	3.88	3.91	3.79	3.03	5.46	4.20	4.60	"Cash Flow" per sh	4.95
.98	.91	.86	1.02	1.02	1.19	.94	1.01	1.40	1.36	1.31	1.97	1.96	1.77	.91	3.26	2.30	2.55	Earnings per sh A	2.85
.59	.60	.62	.63	.64	.65	.67	.69	.72	.75	.79	.85	.92	1.00	1.04	1.12	1.20	1.25	Div'd Decl'd per sh B	1.45
2.66	2.97	2.83	3.04	2.58	2.76	3.69	4.77	5.40	5.65	5.64	5.93	5.46	5.90	6.65	7.91	6.75	6.50	Cap'l Spending per sh	6.45
10.13	10.45	10.76	11.28	12.54	13.11	13.41	13.75	14.44	15.19	16.07	18.30	21.92	23.70	24.72	27.49	29.10	31.60	Book Value per sh C	35.00
41.53	41.67	41.82	41.98	47.74	47.81	47.88	47.97	48.01	48.07	48.53	50.33	53.72	55.60	57.72	59.48	55.00	53.00	Common Shs Outst'g D	50.00
19.7	20.3	21.3	17.9	20.1	19.7	24.8	29.6	26.9	30.3	39.3	24.9	30.5	33.0	NMF	15.3	19.6		Avg Ann'l P/E Ratio	24.0
1.31	1.29	1.34	1.14	1.13	1.04	1.25	1.55	1.35	1.64	2.09	1.28	1.65	1.91	NMF	.81	1.05		Relative P/E Ratio	1.30
3.1%	3.2%	3.4%	3.5%	3.1%	2.8%	2.9%	2.3%	1.9%	1.8%	1.5%	1.7%	1.5%	1.7%	1.9%	2.3%	2.8%		Avg Ann'l Div'd Yield	2.1%

CAPITAL STRUCTURE as of 9/30/25		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Total Debt \$1176.5 mill. Due in 5 Yrs \$357.0 mill.		588.4	609.4	666.9	698.2	714.6	794.3	790.9	846.4	794.6	1036.8	1010	1090							Revenues (Smill) E
LT Debt \$1104.0 mill. LT Interest \$40.0 mill.		45.0	48.7	67.2	65.6	63.1	96.8	101.1	96.0	51.9	190.8	125	135							Net Profit (Smill)
(Total interest coverage: 1.5x) (40% of Cap'l)		36.0%	35.5%	30.1%	24.5%	19.1%	11.1%	20.1%	3.3%	3.3%	18.3%	21.0%	21.0%							Income Tax Rate
		4.3%	6.1%	3.5%	3.1%	5.8%	3.3%	1.7%	-	1.7%	1.7%	2.0%	3.0%							AFUDC % to Net Profit
Pension Assets-12/24 \$750.0 mill. Oblig. \$524.0 mill.		44.4%	44.6%	42.7%	49.3%	50.2%	45.9%	47.3%	44.4%	42.5%	40.3%	37.5%	35.0%							Long-Term Debt Ratio
Pfd Stock None		55.6%	55.4%	57.3%	50.7%	49.8%	54.1%	52.7%	55.6%	57.5%	59.7%	62.5%	65.0%							Common Equity Ratio
Common Stock 59,591,341 shs.		1154.4	1191.2	1209.3	1440.2	1566.7	1702.4	2233.4	2370.1	2479.5	2739.8	2550	2575							Total Capital (Smill)
		1701.8	1859.3	2048.0	2232.7	2406.4	2650.6	2846.9	3058.9	3773.3	4134.6	4200	4350							Net Plant (Smill)
		5.2%	5.5%	7.1%	5.9%	5.5%	7.0%	5.5%	5.0%	3.1%	7.9%	6.5%	7.0%							Return on Total Cap'l
		7.0%	7.4%	9.7%	9.0%	8.1%	10.5%	8.6%	7.3%	3.6%	11.7%	10.0%	10.0%							Return on Shr. Equity
		7.0%	7.4%	9.7%	9.0%	8.1%	10.5%	8.6%	7.3%	3.6%	11.7%	10.0%	10.0%							Return on Com Equity
		2.0%	2.4%	4.7%	4.0%	3.2%	6.0%	4.6%	3.2%	NMF	7.7%	5.5%	6.0%							Retained to Com Eq
		71%	68%	51%	55%	60%	43%	47%	56%	114%	34%	42%	39%							All Div'ds to Net Prof

**Business:** California Water Service Group provides regulated and nonregulated water service to 499,400 customers in 100 communities in the state of California. Accounts for about 90% of total customers. Also operates in Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp; West Hawaii Utilities (9/08). Revenue breakdown, '24: residential, 67%; business, 20%; industrial, 3%; public authorities, 5%; other 5%. Off. and dir. own 1% of common stock (4/25 proxy). Has 1,184 employees. Pres. and CEO: Martin A. Kropelnicki. Inc.: DE. Addr.: 1720 North First St., San Jose, CA 95112-4598. Tel.: 408-367-8200. Internet: www.calwatergroup.com.

**California Water Service delivered mixed third-quarter results, with earnings holding steady but revenue coming in a bit lighter than expected.** Revenue of \$311 million rose about 4% year over year but fell short of our forecast, while earnings of \$1.03 per share were in line with estimates and unchanged from the prior-year period. Results reflect the ongoing dynamics of the current California rate case cycle, as well as the timing of rate relief and weather-driven consumption patterns. Capital investment remained elevated, with roughly \$135 million deployed during the quarter as the company continues to modernize its system.

**Looking ahead, the operating outlook remains largely intact, though near-term regulatory timing bears watching.** Management reiterated its expectation for nearly 12% compounded annual rate base growth tied to the pending California general rate case and infrastructure plan, supported by sustained capital spending and ongoing PFAS compliance efforts. Importantly, authorization to implement an interim inflationary rate adjustment if the rate case decision is delayed adds a layer of downside protection. Growth outside California also remains a positive, with Texas expansion and smaller tuck-in acquisitions expected to contribute incrementally over time.

**Shares have slipped about 5% in value since our last review, likely reflecting the modest revenue shortfall and lingering regulatory uncertainty.** Still, California Water's long-term fundamentals remain solid, supported by predictable demand, a constructive regulatory framework, and a long history of dividend growth. While year-ahead performance may lag broader market averages, the stock continues to offer appeal for conservative investors focused on stability, income, and gradual capital appreciation over the long run.

**Accounts with a long-term investment horizon may be rewarded nicely from a position here.** Our 3- to 5-year Target Price Range indicates strong capital appreciation potential. Plus, these shares are ranked Above Average (2) for Safety, and score an 85 for Price Stability.

*Zachary J. Hodgkinson January 2, 2026*

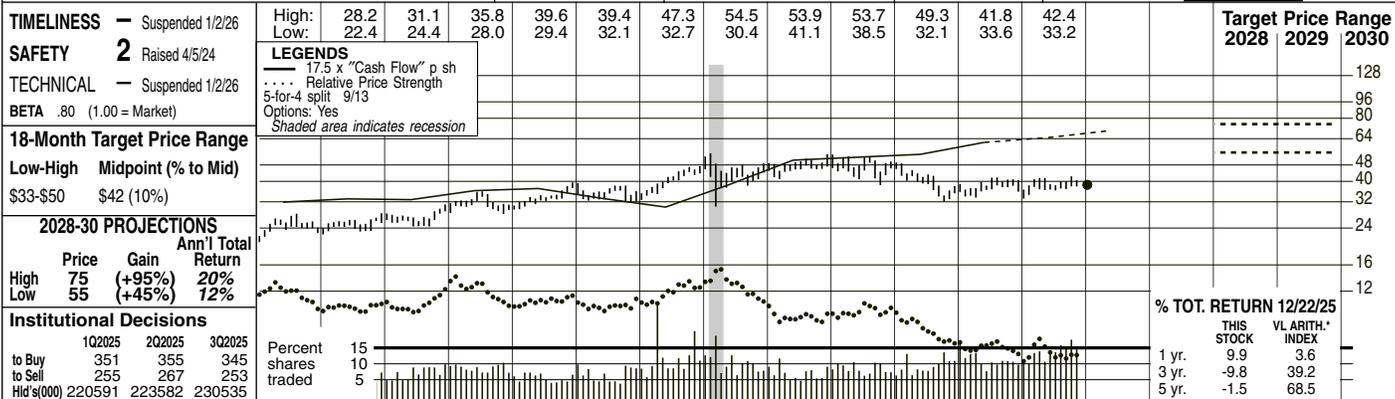
(A) Basic EPS. Excl. nonrecurring gain (loss): '11, 4c. Next earnings report due late Feb.	available.	(E) Excludes non-regulated revenues.	Company's Financial Strength	B++
(B) Dividends historically paid in late Feb., May, Aug., and Nov. ■ Div'd reinvestment plan	(C) Incl. intangible assets. In '24: \$61.2 mill., \$1.03/sh.		Stock's Price Stability	85
	(D) In millions.		Price Growth Persistence	45
			Earnings Predictability	45

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# ESSENTIAL UTIL. NYSE-WTRG

RECENT PRICE **38.57** P/E RATIO **15.2** (Trailing: 16.0 Median: 26.0) RELATIVE P/E RATIO **0.81** DIV'D YLD **3.6%** VALUE LINE



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
3.93	4.21	4.10	4.32	4.32	4.37	4.61	4.62	4.56	4.71	4.03	5.96	7.43	8.68	7.52	7.59	<b>8.85</b>	<b>9.35</b>	Revenues per sh	<b>10.75</b>
1.29	1.42	1.45	1.51	1.82	1.89	1.87	2.07	2.12	1.90	1.73	2.21	2.89	3.08	3.51	<b>3.70</b>	<b>4.00</b>	<b>4.00</b>	"Cash Flow" per sh	<b>4.30</b>
.62	.72	.83	.87	1.16	1.20	1.14	1.32	1.35	1.08	1.04	1.12	1.67	1.77	1.86	2.17	<b>2.45</b>	<b>2.65</b>	Earnings per sh	<b>2.75</b>
.44	.47	.50	.54	.58	.63	.69	.74	.79	.85	.91	.97	1.04	1.11	1.19	1.27	1.34	<b>1.43</b>	Div'd Decl'd per sh <sup>B</sup>	<b>1.75</b>
1.66	1.89	1.90	1.98	1.73	1.84	2.07	2.16	2.69	2.78	2.49	3.41	4.04	4.03	4.39	4.84	<b>5.00</b>	<b>5.00</b>	Cap'l Spending per sh	<b>5.00</b>
6.50	6.81	7.21	7.90	8.63	9.27	9.78	10.43	11.02	11.28	17.58	19.09	20.50	20.39	21.57	22.56	<b>22.25</b>	<b>23.35</b>	Book Value per sh <sup>D</sup>	<b>26.05</b>
170.61	172.46	173.60	175.43	177.93	178.59	176.54	177.39	177.71	178.09	220.76	245.39	252.87	263.74	273.30	274.82	<b>283.00</b>	<b>285.00</b>	Common Shs Outst'g <sup>C</sup>	<b>288.00</b>
23.1	21.1	21.3	21.9	21.2	20.8	23.5	23.9	24.7	32.6	39.1	39.6	28.3	26.6	21.6	17.5	<b>15.6</b>		Avg Ann'l P/E Ratio	<b>23.0</b>
1.54	1.34	1.34	1.39	1.19	1.09	1.18	1.25	1.24	1.76	2.08	2.03	1.53	1.54	1.20	.93	<b>.87</b>		Relative P/E Ratio	<b>1.30</b>
3.1%	3.1%	2.8%	2.8%	2.4%	2.5%	2.6%	2.3%	2.4%	2.4%	2.2%	2.2%	2.2%	2.4%	3.0%	3.3%	<b>3.5%</b>		Avg Ann'l Div'd Yield	<b>2.8%</b>

CAPITAL STRUCTURE as of 9/30/25		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026		
Total Debt \$7974.4 mill. Due in 5 Yrs \$1201 mill.		814.2	819.9	809.5	838.1	889.7	1462.7	1878.1	2288.0	2053.8	2086.1	<b>2500</b>	<b>2665</b>	Revenues (\$mill)	<b>3100</b>						
LT Debt \$7742.2 mill. LT Interest \$300.0 mill. (54% of Cap'l)		201.8	234.2	239.7	192.0	224.5	284.8	431.6	465.2	498.2	595.3	<b>695</b>	<b>755</b>	Net Profit (\$mill)	<b>795</b>						
Pension Assets-12/24 \$312.3 mill. Oblig. \$313.7 mill.		6.9%	8.2%	6.6%	--	--	--	--	--	--	--	<b>5.0%</b>	<b>10.0%</b>	Income Tax Rate	<b>20.0%</b>						
Pfd Stock None		3.1%	3.8%	6.3%	6.8%	7.2%	4.5%	4.8%	1.3%	2.2%	2.2%	<b>2.0%</b>	<b>2.0%</b>	AFUDC % to Net Profit	<b>2.0%</b>						
Common Stock 282,975,000 shares as of 10/27/25		50.3%	48.4%	50.6%	54.4%	43.1%	54.0%	52.7%	54.2%	53.7%	54.3%	<b>54.0%</b>	<b>54.0%</b>	Long-Term Debt Ratio	<b>54.5%</b>						
MARKET CAP: \$10.9 billion (Large Cap)		49.7%	51.6%	49.4%	45.6%	56.9%	46.0%	47.3%	45.8%	46.3%	45.7%	<b>46.0%</b>	<b>46.0%</b>	Common Equity Ratio	<b>45.5%</b>						
CURRENT POSITION (SMILL.)		3469.5	3587.7	3965.4	4407.8	6824.2	10192	10964	11748	12722	13567	<b>13700</b>	<b>14450</b>	Total Capital (\$mill)	<b>16500</b>						
Cash Assets		4688.9	5001.6	5399.9	5930.3	6345.8	9512.9	10252	11131	12097	13143	<b>14025</b>	<b>15250</b>	Net Plant (\$mill)	<b>17100</b>						
Receivables		6.9%	7.6%	7.1%	5.5%	4.2%	3.7%	4.8%	5.0%	5.0%	5.4%	<b>5.0%</b>	<b>5.0%</b>	Return on Total Cap'l	<b>5.0%</b>						
Inventory (AvgCst)		11.7%	12.7%	12.2%	9.6%	5.8%	6.1%	8.3%	8.7%	8.5%	9.6%	<b>11.0%</b>	<b>11.5%</b>	Return on Shr. Equity	<b>10.5%</b>						
Other		11.7%	12.7%	12.2%	9.6%	5.8%	6.1%	8.3%	8.7%	8.5%	9.6%	<b>11.0%</b>	<b>11.5%</b>	Return on Com Equity	<b>10.5%</b>						
Current Assets		4.7%	5.6%	5.1%	2.1%	.9%	1.1%	3.3%	3.3%	3.1%	4.0%	<b>5.0%</b>	<b>5.0%</b>	Retained to Com Eq	<b>4.0%</b>						
Accts Payable		60%	56%	59%	79%	84%	82%	60%	62%	64%	58%	<b>54%</b>	<b>54%</b>	All Div'ds to Net Prof	<b>64%</b>						
Debt Due		<p><b>BUSINESS:</b> Essential Utilities, Inc. became the new name for Aqua America on Feb. 3, 2020, to reflect the acquisition of Peoples, a natural gas utility, which occurred in 3/20. In 2024, Aqua Amer. provided water and wastewater services in the states of PA, OH, TX, IL, NC, NJ, IN, VA, NS, WS. Acquired AquaSource, 7/13; N. Maine Util., 7/15; and others. Water respn. for 59% of revenues in 2024; residential, 32%; commercial, 9%; industrial, wastewater &amp; other, 18%. Gas 40%; other, 1%. Employs 3,291. Off. &amp; dir. own less than 1% of the common stock; BlackRock, 11.3%; Vanguard, 10.0%; Can. Pen. Plan 7.9% (3/25 proxy). Pres. &amp; CEO: Christopher Franklin. Inc.: PA Addr.: 762 W Lancaster Ave., Bryn Mawr, PA 19010. Tel.: 610-525-1400. Int.: www.essential.co</p>																			

**Essential Utilities delivered good results for the third quarter of 2025.** Revenues of \$477 million rose nearly 10% year over year, thanks largely to higher customer water rates across both its regulated water and natural segments. And despite a modest rise in operating and maintenance expenses, earnings of \$0.33 per share improved 32% versus the previous-year tally (note that this figure included a credit from prior bad-debt expenses related to its Pennsylvania customer assistance program). For the full-year 2025, we think Essential probably registered revenues of \$2.5 billion and earnings of \$2.45 per share. Based on our model, moderate top- and bottom-line expansion is likely on tap for 2026.

**Capital spending and rate activity is likely to continue.** Investments in infrastructure, water delivery units, and natural gas systems through the first nine months of 2025 totaled almost \$1 billion. Over the pull to 2029, management aims to invest nearly \$8 billion on a variety of water quality improvements, including PFAS contamination and methane emission reduction. To that end, customer rate increases are probable, with base rate cases currently pending in North Carolina, Ohio, Texas, and Virginia, in addition to expected surcharges.

**Acquisitions are likely to remain core to the company's secular growth strategy.** Indeed, Essential's track record of targeted acquisitions has been pivotal to expanding its footprint and widening the customer base. At the moment, four purchase agreements in Pennsylvania and Texas are pending completion (with a total cost of roughly \$300 million), and are slated to add over 200,000 customers. Elsewhere, Essential's previously announced plans to invest in a data center facility in Pennsylvania remain on track, with the project's timeline set for late decade. Finally, the company recently announced an all-stock merger agreement with American Water Works, which would create a water utility company with a combined market cap of about \$40 billion. The deal is anticipated to close in 2027, pending shareholder and regulatory approvals.

**Essential Utilities shares are best suited for buy-and-hold accounts.**

Nicholas Patrikis January 2, 2026

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	6.0%	12.5%	5.0%
"Cash Flow"	6.5%	10.5%	5.0%
Earnings	6.0%	11.0%	6.0%
Dividends	7.5%	7.0%	6.5%
Book Value	9.5%	10.0%	3.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2022	699.3	448.7	434.6	705.4	2288.0
2023	726.5	436.7	411.1	479.5	2053.8
2024	612.1	434.4	435.3	604.3	2086.1
2025	783.6	514.9	477.0	<b>724.5</b>	<b>2500</b>
2026	<b>800</b>	<b>575</b>	<b>535</b>	<b>755</b>	<b>2665</b>

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2022	.76	.31	.26	.44	1.77
2023	.72	.34	.30	.50	1.86
2024	.97	.28	.25	.67	2.17
2025	1.03	.38	.33	<b>.71</b>	<b>2.45</b>
2026	<b>1.05</b>	<b>.45</b>	<b>.40</b>	<b>.75</b>	<b>2.65</b>

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2021	.2507	.2507	.2682	.2682	1.04
2022	.2682	.2682	.287	.287	1.11
2023	.287	.287	.3071	.3071	1.19
2024	.3071	.3071	.3255	.3255	1.27
2025	.326	.326	.342	.342	

(A) Diluted earnings. Includes unusual gain: '24, Q1, 24c; Excludes nonrecurring gain: '12, 18c. Excludes gain from discontinued operations: '12, 7c; '13, 9c; '14, 11c. Next earnings report scheduled for late February.  
 (B) Dividends historically paid in early March, June, Sept., & Dec. ■ Div'd. reinvestment plan available (5% discount).  
 (C) In millions, adjusted for stock split.  
 (D) Includes intangibles: 12/31/24, \$2.344 bil./\$.853 a share.

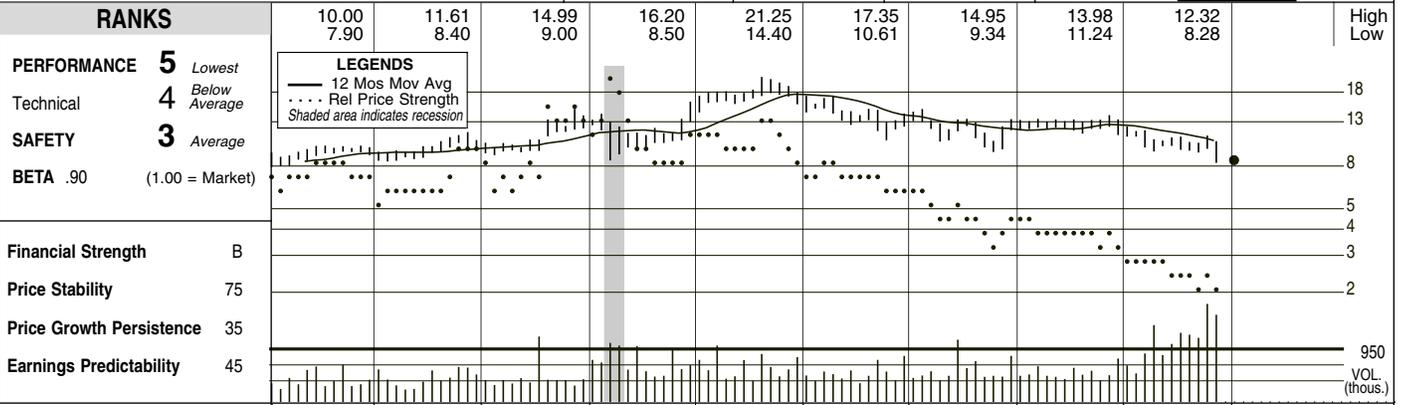
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Case No. 2025-00354  
 Bluegrass Water Response to PSC 2-5  
 Exhibit PSC 2-5  
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# GLOBAL WATER RES. NDQ--GWRS

RECENT PRICE **8.52** TRAILING P/E RATIO **53.3** RELATIVE P/E RATIO **2.85** DIV'D YLD **3.6%** **VALUE LINE**



© VALUE LINE PUBLISHING LLC	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026/2027
REVENUES PER SH	1.59	1.65	1.65	1.71	1.85	1.87	2.17	2.18	--	
"CASH FLOW" PER SH	.58	.49	.49	.45	.58	.65	.79	.76	--	
EARNINGS PER SH	.23	.15	.10	.05	.16	.24	.33	.24	.19 <sup>A,B</sup>	.22 <sup>C</sup> /NA
DIV'DS DECL'D PER SH	.28	.28	.29	.29	.29	.30	.30	.30	--	
CAP'L SPENDING PER SH	1.06	.22	.52	.40	.81	1.42	.91	1.33	--	
BOOK VALUE PER SH	.76	1.30	1.15	1.43	1.33	1.86	1.99	1.97	--	
COMMON SHS OUTST'G (MILL)	19.63	21.47	21.54	22.59	22.65	23.87	24.49	24.23	--	
AVG ANN'L P/E RATIO	40.1	63.9	NMF	NMF	NMF	58.9	36.7	52.2	44.8	38.7/NA
RELATIVE P/E RATIO	2.01	3.61	NMF	NMF	NMF	3.90	2.26	2.96	--	
AVG ANN'L DIV'D YIELD	3.0%	3.0%	2.6%	2.5%	1.7%	2.1%	2.5%	2.4%	--	
REVENUES (\$MILL)	31.2	35.5	35.5	38.6	41.9	44.7	53.0	52.7	--	<b>Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.</b>
OPERATING MARGIN	45.7%	47.1%	43.2%	42.4%	39.3%	40.0%	44.7%	41.9%	--	
DEPRECIATION (\$MILL)	6.9	7.5	8.4	9.0	9.5	10.1	11.4	12.7	--	
NET PROFIT (\$MILL)	4.6	3.1	2.2	1.1	3.6	5.5	8.0	5.8	--	
INCOME TAX RATE	--	36.5%	34.3%	41.1%	24.2%	14.5%	26.5%	26.4%	--	
NET PROFIT MARGIN	14.6%	8.7%	6.3%	2.9%	8.6%	12.3%	15.1%	11.0%	--	
WORKING CAP'L (\$MILL)	.7	7.7	2.2	11.1	2.1	d2.1	d2.5	d2.8	--	
LONG-TERM DEBT (\$MILL)	114.4	114.5	114.7	112.7	108.9	104.9	103.7	118.5	--	
SHR. EQUITY (\$MILL)	14.9	27.9	24.7	32.2	30.0	44.4	48.6	47.6	--	
RETURN ON TOTAL CAP'L	5.5%	4.0%	3.5%	2.6%	4.5%	5.0%	6.8%	5.3%	--	
RETURN ON SHR. EQUITY	30.6%	11.1%	9.0%	3.4%	12.0%	12.4%	16.4%	12.2%	--	
RETAINED TO COM EQ	NMF	11.1%	NMF	NMF	12.0%	12.4%	1.6%	NMF	--	
ALL DIV'DS TO NET PROF	119%	--	NMF	NMF	--	--	90%	NMF	--	

<sup>A</sup>No. of analysts changing earn. est. in last 22 days: 0 up, 0 down, consensus 5-year earnings growth not available. <sup>B</sup>Based upon 2 analysts' estimates. <sup>C</sup>Based upon 2 analysts' estimates.

ANNUAL RATES					ASSETS (\$mill.)			INDUSTRY: Water Utility			
of change (per share)	5 Yrs.	1 Yr.			2023	2024	9/30/25	<p><b>BUSINESS:</b> Global Water Resources, Inc. is a water resource management company that owns and operates 39 water, wastewater, and recycled water systems in strategically located communities, principally in metropolitan Phoenix and Tucson, Arizona. It seeks to deploy an integrated approach, referred to as "Total Water Management." Total Water Management is a comprehensive approach to water utility management that reduces demand on scarce non-renewable water sources and costly renewable water supplies, in a manner that ensures sustainability and greatly benefits communities both environmentally and economically. The company treats water to potable standards and also treats, cleans, and recycles wastewater for a variety of uses. Recycled water is created by taking wastewater and applying advanced tertiary treatment to create a high quality, non-potable water source. Has 122 employees. Chairman, C.E.O. &amp; President: Ron L. Fleming Address: 21410 N. 19th Avenue #220, Phoenix, AZ 85027. Tel.: (480) 360-7775. Internet: www.gwresources.com.</p> <p style="text-align: right;">J.V.</p> <p style="text-align: center;">January 2, 2026</p>			
Sales	5.0%	0.5%			Cash Assets	3.1	9.0				15.3
"Cash Flow"	7.0%	-3.5%			Receivables	2.8	3.2				8.2
Earnings	11.0%	-27.5%			Inventory	.0	.0				.0
Dividends	1.0%	--			Other	5.8	7.3				1.5
Book Value	12.5%	-1.0%			Current Assets	11.7	19.5				25.0
Fiscal Year	QUARTERLY SALES (\$mill.)				LIABILITIES (\$mill.)						
	1Q	2Q	3Q	4Q	Full Year	Property, Plant & Equip, at cost Accum Depreciation Net Property Other Total Assets					
12/31/23	13.1	13.0	14.5	12.4	53.0	465.7	513.0				--
12/31/24	11.6	13.5	14.3	13.3	52.7	142.4	153.6				--
12/31/25	12.5	14.2	15.5			323.3	359.4	431.2			
12/31/26						26.1	26.2	24.5			
						361.1	405.1	480.7			
Fiscal Year	EARNINGS PER SHARE				Full Year	LONG-TERM DEBT AND EQUITY as of 9/30/25					
	1Q	2Q	3Q	4Q	Full Year	Total Debt \$131.9 mill. Due in 5 Yrs. NA LT Debt \$127.2 mill. Including Cap. Leases NA (59% of Cap'l) Leases, Uncapitalized Annual rentals NA					
12/31/22	.04	.09	.07	.04	.24	Pension Liability None in '24 vs. None in '23					
12/31/23	.10	.07	.11	.05	.33	Pfd Stock None Pfd Div'd Paid None					
12/31/24	.03	.07	.12	.02	.24	Common Stock 28,750,000 shares (41% of Cap'l)					
12/31/25	.02	.06	.06	.04							
12/31/26	.02	.07									
Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year	TOTAL SHAREHOLDER RETURN Dividends plus appreciation as of 12/22/2025					
	1Q	2Q	3Q	4Q	Full Year	3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.	
2022	.074	.074	.074	.074	.30	-15.47%	-16.30%	-24.92%	-31.34%	-34.01%	
2023	.074	.074	.074	.074	.30						
2024	.075	.075	.075	.075	.30						
2025	.075	.075	.075	.075							
INSTITUTIONAL DECISIONS											
	1Q'25	2Q'25	3Q'25								
to Buy	43	51	40								
to Sell	33	27	33								
Hld's(000)	7609	7991	8015								

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To subscribe call 1-800-VALUELINE

# H2O AMERICA NYSE-HTO

RECENT PRICE **49.80** P/E RATIO **14.9** (Trailing: 15.7 Median: 26.0) RELATIVE P/E RATIO **0.80** DIV'D YLD **3.4%**

**VALUE LINE**

**TIMELINESS 3** Lowered 1/2/26  
**SAFETY 3** Lowered 1/2/26  
**TECHNICAL 4** Lowered 1/2/26  
 BETA .75 (1.00 = Market)

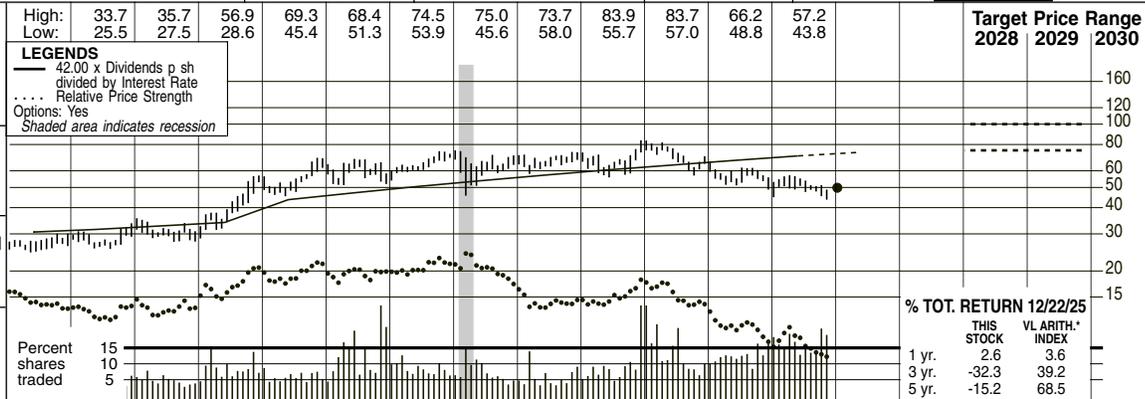
High: 33.7 35.7 56.9 69.3 68.4 74.5 75.0 73.7 83.9 83.7 66.2 57.2  
 Low: 25.5 27.5 28.6 45.4 51.3 53.9 45.6 58.0 55.7 57.0 48.8 43.8

**LEGENDS**  
 — 42.00 x Dividends p sh divided by Interest Rate  
 ... Relative Price Strength  
 Options: Yes  
 Shaded area indicates recession

**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$41-\$69 \$55 (10%)

**2028-30 PROJECTIONS**  
 High Price Gain Ann'l Total Return  
 Low 105 (+110%) 22%  
 70 (+40%) 11%

**Institutional Decisions**  
 10/2025 20/2025 30/2025  
 to Buy 148 151 154  
 to Sell 100 116 117  
 Hld's(000) 27504 27902 29366



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
11.68	11.62	12.85	14.01	13.73	15.76	14.97	16.61	18.97	14.00	14.78	19.77	19.01	20.15	20.93	22.26	23.30	26.40	Revenues per sh	29.50
2.21	2.38	2.80	2.97	2.90	4.42	3.86	4.76	5.24	3.29	3.13	5.28	5.13	5.79	6.03	6.22	4.70	5.00	"Cash Flow" per sh	5.40
.81	.84	1.11	1.18	1.12	2.54	1.85	2.57	2.86	1.82	.82	2.14	2.03	2.43	2.68	2.87	3.25	3.45	Earnings per sh A	3.75
.66	.68	.69	.71	.73	.75	.78	.81	1.04	1.12	1.20	1.28	1.36	1.44	1.52	1.60	1.68	1.75	Div'd Decl'd per sh BD	1.95
3.17	5.65	3.75	5.67	4.68	5.02	5.24	6.95	7.26	5.08	6.25	7.44	8.32	7.85	9.01	11.22	8.50	8.75	Cap'l Spending per sh	8.75
13.66	13.75	14.20	14.71	15.92	17.75	18.83	20.61	22.57	31.31	31.27	32.12	34.28	36.06	38.52	40.65	44.30	50.00	Book Value per sh	56.65
18.50	18.55	18.59	18.67	20.17	20.29	20.38	20.46	20.52	28.40	28.46	28.56	30.18	30.80	32.02	33.63	35.00	32.00	Common Shs Outst'g C	30.00
28.7	29.1	21.2	20.4	24.3	11.2	16.6	15.7	18.8	32.7	78.8	30.0	32.9	27.3	26.4	19.9	15.6		Avg Ann'l P/E Ratio	23.0
1.91	1.85	1.33	1.30	1.37	.59	.84	.82	.95	1.77	4.20	1.54	1.78	1.58	1.47	1.05	.86		Relative P/E Ratio	1.30
2.8%	2.8%	2.9%	3.0%	2.7%	2.6%	2.5%	2.0%	1.9%	1.9%	1.9%	2.0%	2.0%	2.2%	2.1%	2.8%	3.3%		Avg Ann'l Div'd Yield	2.2%

**CAPITAL STRUCTURE as of 9/30/25**  
 Total Debt \$1775.0 mill. Due in 5 Yrs \$44.3 mill.  
 LT Debt \$1757.0 mill. LT Interest \$50.0 mill.  
 (LT Interest Coverage: 8.5x)

(55% of Cap'l)

**Pension Assets-12/24** \$285.5 mill.  
 Oblig. \$297.8 mill.

**Pfd Stock None.**  
**Common Stock** 35,805,000 shs.  
 as of 10/21/25  
**MARKET CAP: \$1.8 billion (Small Cap)**

305.1	339.7	389.2	397.7	420.5	564.5	573.7	620.7	670.4	748.4	815	845	Revenues (\$mill)	885
37.9	52.8	59.2	38.8	23.4	61.5	60.5	73.8	85.0	94.0	114	111	Net Profit (\$mill)	113
38.1%	38.8%	36.7%	20.6%	26.4%	12.0%	12.2%	10.3%	6.5%	8.7%	21.0%	21.0%	Income Tax Rate	21.0%
--	--	--	--	--	--	--	6.4%	6.4%	1.5%	1.5%	1.5%	AFUDC % to Net Profit	1.5%
49.8%	50.7%	48.2%	32.7%	59.1%	58.4%	59.1%	57.3%	55.3%	55.5%	53.0%	49.0%	Long-Term Debt Ratio	39.5%
50.2%	49.3%	51.8%	67.3%	40.9%	41.6%	40.9%	42.7%	44.7%	44.5%	47.0%	51.0%	Common Equity Ratio	60.5%
764.6	855.0	894.3	1320.7	2173.6	2204.7	2527.5	2602.8	2760.1	3073.9	3000	3150	Total Capital (\$mill)	2800
1036.8	1146.4	1239.3	1328.8	2206.5	2334.9	2497.5	2630.3	3155.6	4473.5	3800	3850	Net Plant (\$mill)	4000
6.3%	7.4%	7.9%	3.9%	1.8%	4.0%	3.5%	4.0%	4.3%	4.2%	4.0%	4.0%	Return on Total Cap'l	4.5%
9.9%	12.5%	12.8%	4.4%	2.6%	6.7%	5.8%	6.6%	6.9%	6.9%	7.5%	7.0%	Return on Shr. Equity	6.5%
9.9%	12.5%	12.8%	4.4%	2.6%	6.7%	5.8%	6.6%	6.9%	6.9%	7.5%	7.0%	Return on Com Equity	6.5%
5.7%	8.6%	8.2%	1.8%	NMF	2.7%	2.0%	2.7%	3.0%	3.1%	3.5%	3.5%	Retained to Com Eq	3.0%
42%	31%	36%	60%	NMF	59%	66%	59%	56%	55%	52%	51%	All Div'ds to Net Prof	52%

**CURRENT POSITION** 2023 2024 9/30/25 (\$MILL.)

Cash Assets	9.7	11.1	11.3
Accts Receivable	67.9	68.7	86.0
Other	120.8	110.9	109.9
Current Assets	198.4	190.7	207.2
Accts Payable	46.1	56.3	61.2
Debt Due	49.0	3.6	18.0
Other	247.9	201.3	225.0
Current Liab.	343.0	261.2	304.2

**BUSINESS:** H2O America engages in the production, purchase, storage, purification, distribution, and retail sale of water. It provides water service to approximately 232,000 connections with a total population of roughly one million people in the San Jose area and 16,000 connections that reach about 88,000 residents in the region between San Antonio and Austin, Texas. The company merged

with Connecticut Water (10/19) and services approx. 140,000 connections. H2O America changed its name from SJW Group in early 2025. Has 808 employees. Officers and directors own less than 1.0% of outstanding shares (3/25 proxy). C.E.O.: Andrew F. Walters. Inc.: California. Addr.: 110 West Taylor Street, San Jose, CA 95110. Tele.: (408) 279-7800. Internet: www.h2o-america.com.

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '22-'24 to '28-'30

Revenues	4.0%	6.0%	5.5%
"Cash Flow"	6.0%	9.0%	-2.0%
Earnings	5.0%	7.5%	6.0%
Dividends	7.5%	6.5%	4.0%
Book Value	9.0%	6.0%	6.5%

**H2O America continued its streak of strong year-over-year revenue and earnings growth in the third quarter of 2025.** The domestic regulated water utility posted revenues of \$241 million and profits of \$1.28 per share for the September period, reflecting annual advances of 7% and 9%, respectively. Results were driven largely by a combination of recent rate increases and higher customer usage, more than offsetting headwinds from regulatory adjustments. For the full-year 2025, H2O America probably registered moderate year-over-year top- and bottom-line gains.

is currently moving through the regulatory process. The assets are being appraised, with a final valuation expected early next year. Elsewhere in Texas, the acquisition of the Cibolo Valley wastewater treatment facility is undergoing a similar fair market valuation process prior to receiving regulatory approval.

**QUARTERLY REVENUES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	124.3	149.0	176.0	171.4	620.7
2023	137.3	156.9	204.8	171.4	670.4
2024	149.4	176.2	225.1	197.7	748.4
2025	167.6	198.3	240.6	208.5	815
2026	175	205	245	220	845

**A new chairman of the board is set for February.** Current Chief Executive Officer Andrew Walters will assume the role of Chairman following Eric Thornburg's decision to retire as non-executive chair of the board of directors. Mr. Thornburg had a lengthy tenure as President, CEO, and Chair with the company. The transition is expected to be a smooth one.

**We think the company is well positioned for the long haul.** In addition to a stable operating model with resilient customer water demand, the company should continue to invest heavily on infrastructure upgrades, such as water delivery systems and treatment facilities. This ought to keep management's foot on the gas, in terms of rate case filings to recoup a good portion of these capital expenditures.

**EARNINGS PER SHARE A**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.12	.38	.82	1.09	2.43
2023	.37	.58	1.13	.59	2.68
2024	.36	.64	1.17	.68	2.87
2025	.50	.71	1.28	.76	3.25
2026	.55	.75	1.33	.82	3.45

**H2O is making progress on the acquisition front.** First, the previously announced acquisition of water and wastewater assets from Quadvest in Texas

**Shares of H2O America are neutrally ranked for relative year-ahead price action (Timeliness: 3).** However, at the recent quotation, total return potential out to late decade is alluring. All told, we think conservative, income-seeking accounts with a long-term horizon would do well to consider a position here.

**QUARTERLY DIVIDENDS PAID BD**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.34	.34	.34	.34	1.36
2022	.36	.36	.36	.36	1.44
2023	.38	.38	.38	.38	1.52
2024	.40	.40	.40	.40	1.60
2025	.42	.42	.42	.42	

(A) Diluted earnings. Excludes nonrecurring losses: '10, \$0.46. GAAP accounting as of 2013. Next earnings report due early Feb. Quarterly eggs. May not add due to rounding.

(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.

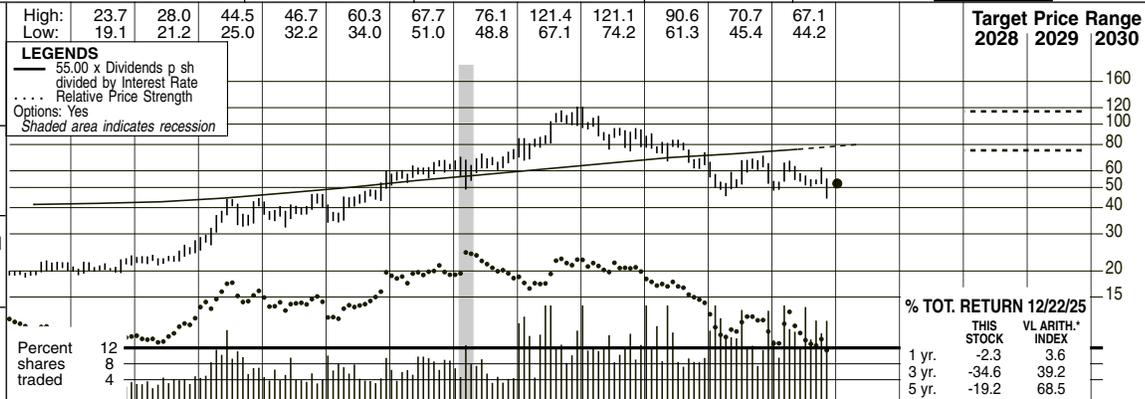
(D) Paid special dividend of \$0.17 per share on 11/17.

Company's Financial Strength	B+
Stock's Price Stability	85
Price Growth Persistence	35
Earnings Predictability	55

# MIDDLESEX WATER NDQ-MSEX

RECENT PRICE **52.14** P/E RATIO **19.2** (Trailing: 21.8 Median: 28.0) RELATIVE P/E RATIO **1.03** DIV'D YLD **2.8%** VALUE LINE

**TIMELINESS 4** Lowered 5/30/25  
**SAFETY 3** Lowered 7/4/25  
**TECHNICAL 4** Lowered 1/2/26  
 BETA .80 (1.00 = Market)



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
6.75	6.60	6.50	6.98	7.19	7.26	7.77	8.16	8.00	8.42	7.72	8.10	8.17	9.21	9.33	10.73	10.80	11.60	Revenues per sh	12.55
1.40	1.55	1.46	1.56	1.72	1.84	1.97	2.17	2.24	2.89	2.90	3.25	3.28	3.70	3.41	4.04	3.55	3.95	"Cash Flow" per sh	4.50
.72	.96	.84	.90	1.03	1.13	1.22	1.38	1.38	1.96	2.01	2.18	2.07	2.39	1.76	2.47	2.45	2.85	Earnings per sh A	3.45
.71	.72	.73	.74	.75	.76	.78	.81	.86	.91	.98	1.04	1.11	1.18	1.26	1.32	1.38	1.46	Div'd Decl'd per sh B	1.65
1.49	1.90	1.50	1.36	1.26	1.40	1.59	2.91	3.08	4.40	5.11	6.04	4.53	5.18	5.06	4.17	5.45	5.65	Cap'l Spending per sh	6.00
10.33	11.13	11.27	11.48	11.82	12.24	12.74	13.40	14.02	15.17	18.57	19.81	20.99	22.65	23.74	24.89	26.60	27.45	Book Value per sh	28.10
13.52	15.57	15.70	15.82	15.96	16.12	16.23	16.30	16.35	16.40	17.43	17.47	17.52	17.64	17.82	17.89	18.35	18.50	Common Shs Outst'g C	18.75
21.0	17.8	21.7	20.8	19.7	18.5	19.1	25.6	28.4	22.2	29.7	30.1	44.3	38.6	42.8	23.6	22.6		Avg Ann'l P/E Ratio	28.0
1.40	1.13	1.36	1.32	1.11	.97	.96	1.34	1.43	1.20	1.58	1.55	2.39	2.23	2.38	1.25	1.27		Relative P/E Ratio	1.55
4.7%	4.2%	4.0%	4.0%	3.7%	3.7%	3.3%	2.3%	2.2%	2.1%	1.6%	1.6%	1.2%	1.3%	1.7%	2.3%	2.5%		Avg Ann'l Div'd Yield	1.7%

**CAPITAL STRUCTURE as of 9/30/25**  
 Total Debt \$357.8 mill. Due in 5 Yrs \$43.7 mill.  
 LT Debt \$350.2 mill. LT Interest \$7.5 mill.  
 (Total interest coverage: 9.4x)  
 (44% of Cap'l)

**Pension Assets-12/24** \$98.6 mill.  
 Oblig. \$87.5 mill.

**Pfd Stock** \$2.4 mill. Pfd Div'd: \$.1 mill.

**Common Stock** 18,338,000 shs. as of 10/30/25

**MARKET CAP: \$950 million (Small Cap)**

126.0	132.9	130.8	138.1	134.6	141.6	143.1	162.4	166.3	191.9	198	215	Revenues (\$mill)	235
20.0	22.7	22.8	32.5	33.9	38.4	36.5	42.4	31.5	44.4	45.0	53.0	Net Profit (\$mill)	65.0
34.5%	34.0%	32.7%	2.8%	--	--	--	7.1%	3.2%	13.5%	21.0%	21.0%	Income Tax Rate	21.0%
1.9%	2.7%	3.1%	1.4%	3.4%	3.9%	--	--	3.9%	3.9%	3.0%	3.0%	AFUDC % to Net Profit	3.0%
39.4%	37.9%	37.5%	37.8%	41.5%	44.0%	45.3%	41.9%	45.7%	44.1%	41.5%	39.0%	Long-Term Debt Ratio	35.5%
59.8%	61.5%	61.8%	61.6%	58.2%	55.7%	54.4%	57.7%	54.0%	55.7%	58.0%	61.0%	Common Equity Ratio	64.5%
345.4	355.4	370.7	404.1	556.7	621.5	676.3	692.7	783.2	799.7	840	835	Total Capital (\$mill)	820
481.9	517.8	557.2	618.5	705.7	796.6	865.4	920.6	998.3	1067.1	1125	1150	Net Plant (\$mill)	1200
6.6%	7.1%	6.9%	8.9%	6.7%	6.8%	6.0%	6.8%	4.8%	6.3%	5.5%	6.5%	Return on Total Cap'l	8.0%
9.6%	10.3%	9.8%	12.9%	10.4%	11.0%	9.9%	10.5%	7.4%	9.9%	9.0%	10.5%	Return on Shr. Equity	12.0%
9.6%	10.3%	9.9%	13.0%	10.4%	11.1%	9.9%	10.6%	7.4%	9.9%	9.0%	10.5%	Return on Com Equity	12.5%
3.5%	4.3%	3.8%	7.0%	5.4%	5.8%	4.6%	5.4%	2.1%	4.7%	4.0%	5.0%	Retained to Com Eq	6.5%
63%	58%	62%	46%	48%	48%	53%	49%	72%	53%	50%	51%	All Div'ds to Net Prof	48%

**CURRENT POSITION (\$MILL)**

	2023	2024	9/30/25
Cash Assets	2.4	4.2	3.4
Other	106.1	38.8	46.2
Current Assets	108.5	43.0	49.6
Accts Payable	27.6	28.1	28.1
Debt Due	7.7	7.7	7.6
Other	68.5	47.1	82.6
Current Liab.	103.8	82.9	118.3

**BUSINESS:** Middlesex Water Company engages in the ownership and operation of regulated water utility systems in New Jersey, Delaware, and Pennsylvania. It also operates water and wastewater systems under contract on behalf of municipal and private clients in NJ and DE. Its Middlesex System provides water services to 61,000 retail customers, primarily in Middlesex County, New Jersey. In 2024, the Middlesex System accounted for 67% of operating revenues. At 12/31/24, the company had 360 employees. Incorporated: NJ. President, CEO, and Chairman: Dennis W. Doll. Officers & directors own 1.3% of the com. stock; BlackRock Inst. Trust Co., 19.5% (4/25 proxy). Add.: 485 C Route 1 South, Suite 400, Iselin, NJ 08830. Tele.: 732-634-1500. Int.: www.middlesexwater.com.

**solid.** Demand for water and wastewater services should be consistent, and periodic customer rate increases are likely in the cards. Meanwhile, capital investment on water utility infrastructure upgrades (pipeline replacement, advanced water treatment systems, and technology enhancements) ought to remain steady in the years ahead, with an annual spending budget likely around the \$100-million mark. In addition, the company may well continue to bolster the client roster via asset acquisitions. Most recently, Middlesex purchased Pinewood Acres water assets in Delaware for an undisclosed amount, thereby widening the customer base.

**ANNUAL RATES of change (per sh)**

	Past 10 Yrs	Past 5 Yrs	Est'd '22-'24 to '28-'30
Revenues	3.0%	4.0%	4.5%
"Cash Flow"	8.0%	7.0%	3.0%
Earnings	8.0%	4.5%	7.5%
Dividends	5.0%	6.5%	4.5%
Book Value	7.0%	8.5%	3.0%

**Middlesex Water shares are trading around levels seen three months prior.** At the moment, overall investor sentiment for relatively riskier securities appears strong. Indeed, MSEX stock has many conservative characteristics (stable operating model, predictable earnings, and a low Beta) and, thus, tends to perform better when investors are looking to add more-defensive positions to their portfolios. All told, Middlesex shares are pegged to underperform (Timeliness: 4) the year-ahead broader market averages.

**Conservative buy-and-hold accounts may want to have a closer look here.** The board of directors recently raised the quarterly dividend payout 6%, to \$0.36 per share, reflecting a yield that outpaces the broader market average by roughly 50 basis points. Moreover, at the current quotation, and supported by the abovementioned yield, MSEX shares offer attractive total return potential over the 2028-2030 time frame.

**QUARTERLY REVENUES (\$ mill.)**

Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	36.2	39.7	47.7	38.8	162.4
2023	38.2	42.8	46.7	38.6	166.3
2024	40.5	49.1	55.1	47.2	191.9
2025	44.3	49.3	54.1	50.3	198
2026	52.0	55.0	55.0	53.0	215

**Middlesex probably ended the recent year with modest top-line growth and flat profits.** Based on our model, we think the regulated water utility provider finished 2025 with revenues of \$198 million (up 3% year over year) and earnings of \$2.45 per share (down two cents from the previous-year figure). Higher water production costs and weather-related delays/watermain breaks weighed on the bottom line throughout the year. For 2026, we look for mid-single-digit revenue expansion to be accompanied by a notable earnings recovery.

**Long-term business prospects are** *Nicholas Patrikis* January 2, 2026

**EARNINGS PER SHARE A**

Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.68	.50	.80	.40	2.39
2023	.33	.55	.56	.32	1.76
2024	.59	.59	.80	.49	2.47
2025	.53	.60	.77	.55	2.45
2026	.68	.72	.78	.67	2.85

**QUARTERLY DIVIDENDS PAID B**

Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.29	.29	.29	.3125	1.18
2023	.3125	.3125	.3125	.325	1.26
2024	.325	.325	.325	.34	1.32
2025	.34	.34	.34	.36	
2026					

(A) Diluted earnings. Quarterly figures may not sum due to rounding. Next earnings report due early February.

(B) Dividends historically paid in mid-Feb., May, Aug., and November. Div' reinvestment plan available.

(C) In millions.

Company's Financial Strength	A
Stock's Price Stability	60
Price Growth Persistence	50
Earnings Predictability	85

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