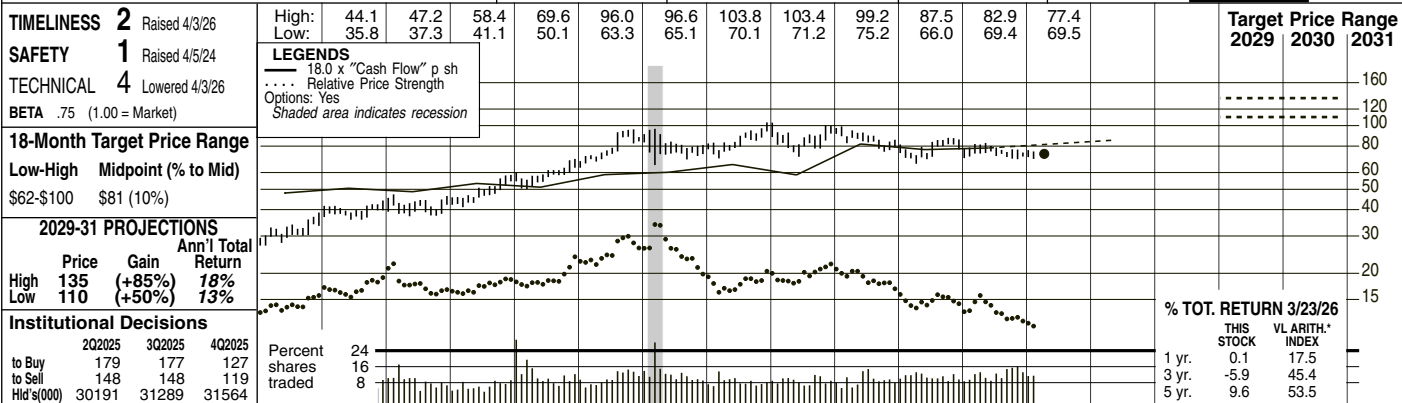


AMER. STATES WATER NYSE-AWR

RECENT PRICE **73.57** P/E RATIO **20.2** (Trailing: 21.8 Median: 30.0) RELATIVE P/E RATIO **1.13** DIV'D YLD **2.9%** VALUE LINE



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
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	16.84	17.60	18.10	Revenues per sh	21.00
2.11	2.13	2.48	2.65	2.81	2.70	2.96	2.84	3.26	3.34	3.64	3.64	3.25	4.55	4.29	4.59	5.10	5.30	"Cash Flow" per sh	6.25
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	3.37	3.70	3.75	Earnings per sh ^A	4.55
.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	2.28	Div'd Decl'd per sh ^B	2.85
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	6.06	6.20	6.35	Cap'l Spending per sh	6.50
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	26.76	28.15	29.35	Book Value per sh ^D	33.75
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	39.08	39.25	39.50	Common Shs Outst'g ^C	40.00
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	22.4	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	26.5
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	1.28	1.17			Relative P/E Ratio	1.45
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 12/31/25		2020	2021	2022	2023	2024	2025	2026	2027	Revenues (\$mill)	
Total Debt	\$790.9 mill.	436.1	440.6	436.8	473.9	488.2	498.9	491.5	595.7	595.5	658.1
LT Debt	\$782.7 mill. LT Interest \$40.0 mill. (43% of Cap'l)	59.7	69.4	63.9	84.3	86.4	94.3	78.4	124.9	119.3	130.4
		36.8%	36.0%	22.0%	22.6%	24.6%	24.4%	23.2%	25.0%	20.2%	23.2%
		--	--	--	--	--	--	2.5%	--	--	--
		39.4%	38.0%	40.5%	44.4%	47.2%	46.1%	39.9%	52.8%	46.7%	43.0%
		60.6%	62.0%	59.5%	55.6%	52.8%	53.9%	60.1%	47.2%	53.3%	57.0%
		815.3	854.9	938.4	1082.5	1216.2	1272.6	1181.5	1643.2	1725.4	1828.3
		1150.9	1205.0	1296.3	1415.7	1512.0	1626.0	1753.8	1892.3	2099.6	2296.3
		8.6%	9.3%	7.9%	8.9%	8.0%	8.3%	7.6%	8.8%	8.3%	8.2%
		12.1%	13.1%	11.4%	14.0%	13.5%	13.8%	11.0%	16.1%	13.0%	12.5%
		12.1%	13.1%	11.4%	14.0%	13.5%	13.8%	11.0%	16.1%	13.0%	12.5%
		5.3%	6.2%	4.5%	6.9%	6.1%	6.2%	3.1%	8.2%	5.7%	5.2%
		56%	52%	61%	51%	55%	55%	72%	49%	56%	58%

Leases, Uncapitalized: Annual rentals \$2.4 mill.
Pension Assets-12/25 \$243.3 mill. **Oblig.** \$200.7 mill.
Pfd Stock None
Common Stock 39,082,470 shs. as of 2/20/26
MARKET CAP: \$2.9 billion (Small Cap)

CURRENT POSITION (SMILL.)

	2023	2024	12/31/25
Cash Assets	14.1	26.7	18.8
Accts Receivable	34.3	37.7	38.2
Other	157.6	168.9	174.1
Current Assets	206.0	233.3	231.1
Accts Payable	68.7	88.6	86.0
Debt Due	42.4	124.4	8.2
Other	55.5	72.5	80.4
Current Liab.	166.6	285.5	174.6

BUSINESS: American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Co., it supplies water to 265,142 customers in 11 California counties. Service areas include the metropolitan areas of Los Angeles and Orange Counties. The company also provides electricity to 24,915 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 900. 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 Sprows. Inc. CA. Addr.: 630 East Foothill Blvd., San Dimas, CA 91773. Tel.: 909-394-3600. Internet: www.aswater.com.

Shares of American States Water may interest a wide variety of investors. For starters, the stock's Timeliness rank was just hiked one notch to a 2 (Above Average), so AWR is now expected to outperform the broader market averages in the coming year. In addition, the equity has total return potential out to 2029-2031 that is greater than the Value Line median. Conservative accounts should also note American States' 1 (Highest) Safety rank. Others positive metrics include a low Beta coefficient of .75 and a 95 (out of 100) score for Stock Price Stability. And finally, the income component here is good due to the 2.9% yield and healthy long-term dividend growth prospects.

Earnings ought to rise nicely this year but flatten out in 2027. The company's non-regulated subsidiary, ASUS, should benefit in 2026 from new contracts signed last year. Too, revenues from the Golden State Water Company (GSWC) subsidiary will be helped by rate relief. Next year however, higher rates may not keep pace with increased expenses, especially if inflation is stronger than we expect. So, American States' share earnings may only move up modestly.

The company's leadership may soon have to make an important decision. GSWC has been spending heavily to upgrade its outdated pipelines and other water assets. Most of the construction budget has been financed with internal cash. So much so, that there's a possibility that the utility's balance sheet could get the attention of California regulators. American Water will have the option of either making a decent-sized acquisition, having a more-generous dividend policy, or initiating a share-repurchase program.

The non-utility subsidiary is the swing factor. The United State military has been privatizing the water facilities on most of its domestic bases over the past decade. Fifty-year contracts to manage the water infrastructure are awarded to private companies following a bidding process. ASUS has been relatively successful in winning these contracts. Since any income derived from this sector does not come under California regulators, returns here often surpass those earned in the utility sector.

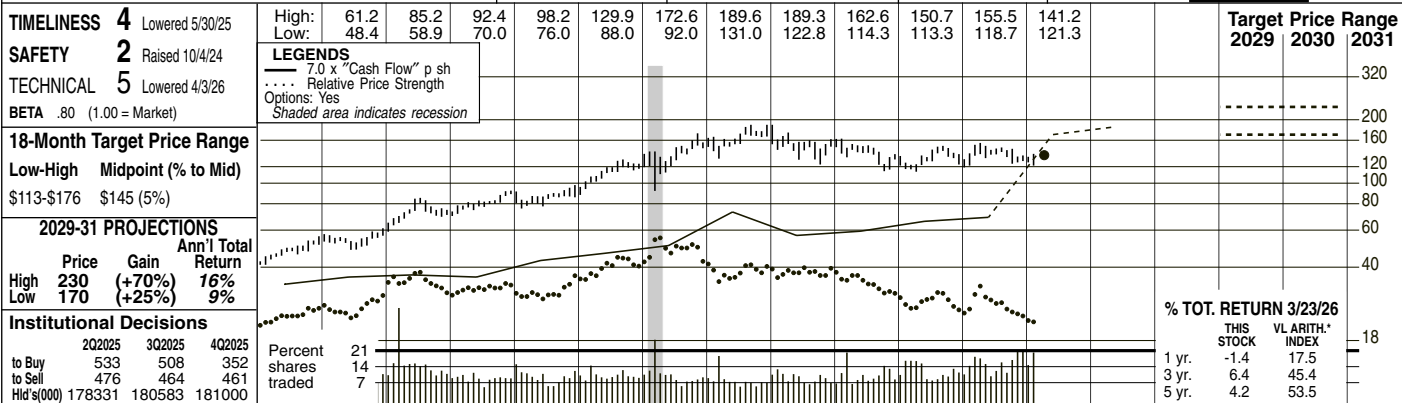
James A. Flood
April 3, 2026

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2023	161.4 157.4 151.7 125.2	595.7
2024	135.3 155.3 161.8 143.1	595.5
2025	148.3 163.1 182.4 164.3	658.1
2026	155 175 185 175	690
2027	160 185 195 175	715

Cal-endar	EARNINGS PER SHARE ^A	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2023	.93 1.03 .85 .55	3.36
2024	.62 .85 .95 .75	3.17
2025	.70 .87 1.06 .74	3.37
2026	.77 .95 1.18 .80	3.70
2027	.76 .97 1.22 .80	3.75

Cal-endar	QUARTERLY DIVIDENDS PAID ^B	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
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	1.94
2026	.504	

(A) Primary earnings. Excludes nonrecurring gains/(losses); *10, (23c); *11, 10c. Next earnings report due early May.
 (B) Dividends historically paid in early March.
 (C) In millions, adjusted for split.
 (D) Includes intangibles. As of 12/31/25; \$6.1 million/\$0.16 a share.



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
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	27.67	26.55	28.45	Revenues per sh	33.00
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	9.43	10.27	10.80	11.60	11.60	"Cash Flow" per sh	13.25
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	5.69	6.10	6.60	Earnings per sh ^A	8.00
.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	3.75	Div'd Decl'd per sh ^B	4.90
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	16.02	17.50	16.50	Cap'l Spending per sh	15.00
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	55.52	60.20	62.75	Book Value per sh ^D	72.80
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	195.18	203.50	204.00	Common Shs Outst'g ^C	206.00
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	25.6	26.55	28.45	Avg Ann'l P/E Ratio	25.0
.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	1.28	1.33	1.27	1.27	Relative P/E Ratio	1.40
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%	2.6%	2.6%	Avg Ann'l Div'd Yield	2.5%

CAPITAL STRUCTURE as of 12/31/25		2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC					
Total Debt	\$15847 mil.	3302.0	3357.0	3440.0	3610.0	3777.0	3920.0	3792.0	4234.0	4684.0	5140				
LT Debt	\$12780 mil.	468.0	426.0	567.0	621.0	709.0	1263.0	820.0	944.0	1051.0	1111.0				
LT Interest	\$500.0 mil. (54% of Cap'l)	39.2%	53.3%	28.2%	25.5%	23.3%	23.0%	18.7%	21.1%	22.7%	21.9%				
Leases, Uncapitalized:	Annual rentals \$12.0 mill.	52.4%	54.7%	56.3%	58.5%	59.1%	58.6%	58.7%	54.5%	54.8%	54.0%				
Pension Assets	12/25 \$1411.0 mill.	47.5%	45.3%	43.6%	41.4%	40.9%	41.4%	41.3%	45.5%	45.2%	46.0%				
Pfd Stock	\$3.0 mill.	10967	11875	13433	14760	15787	17639	18619	21512	22850	23617				
Common Stock	195,208,666 shares as of 2/9/26	14992	16246	17409	18232	19710	21084	23223	25438	28038	30576				
MARKET CAP:	\$26.5 billion (Large Cap)	5.6%	4.9%	5.4%	5.4%	5.7%	8.2%	5.5%	5.4%	.7%	5.8%				
CURRENT POSITION	2023 2024 12/31/25	9.0%	7.9%	9.7%	10.1%	11.0%	17.3%	10.7%	9.6%	10.2%	10.3%				
Cash Assets	364	125	119	4.0%	2.5%	4.2%	4.4%	5.0%	11.4%	4.6%	4.2%	4.5%	4.1%		
Accts Receivable	339	416	395	56%	68%	56%	57%	55%	34%	57%	56%	56%	60%		
Other	686	674	1677	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 2025 revenues. Pennsylvania (24%); New Jersey (23%); Missouri (12%); and Illinois (12%) are its largest markets. Has 7,000 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.											
Current Assets	1389	1215	2191	American Water Work's shareholders have approved a major acquisition. In October, the company agreed to buy Essential Utilities, a water and natural gas entity, in a deal valued at \$12.3 billion. Holders of Essential stock, who have also approved the deal, are to receive .305 shares of newly issued American Water stock for each share of AWR owned. The merger would combine the first and second largest members of Value Line's water utility industry.											
Accts Payable	294	346	378	Final approval will take time. Since both corporations involved here are utilities, states where they operate must sign off on the transaction. Auguring well for approval is the fact that American Water and Essential both have been buying smaller water districts and integrating them into their existing operations for many years. This strategy has been shown to save costs that can be passed along to retail customers (making state authorities less likely to block the merger.) Management now estimates that the final consent ought to come by the end of first quarter of 2027.											
Debt Due	654	1516	3067	Earnings prospects are solid. Even though the company's return on equity is capped by regulators, American Water has been able to generate healthy profits through its growth via acquisition strategy. Good treatment by regulators has been a major factor, too. All told, we look for share earnings to increase 7% in 2026 and 8% in 2027, respectively. As per Value Line convention, our earnings presentation will not include the proposed acquisition until it is finalized.											
Other	1203	1288	1302	The construction program is massive. Between 2026-2030, leadership estimates that close to \$20 billion will be required to upgrade American Water's infrastructure. The utility currently has a sound balance sheet. Thus, it should be able to take on much more debt to finance capital spending and without weakening its financial condition.											
Current Liab.	2151	3150	4747	These shares are ranked to underperform the market in the year ahead. Investors with a long-term view looking for income may like the equity's modestly above-average yield and good dividend growth prospects. The stock has a low Beta co-efficient, as well.											

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2023	938.0 1097 1167 1032	4234.0
2024	1011 1149 1323 1201	4684.0
2025	1142 1276 1451 1271	5140.0
2026	1200 1350 1550 1300	5400
2027	1300 1450 1600 1450	5800

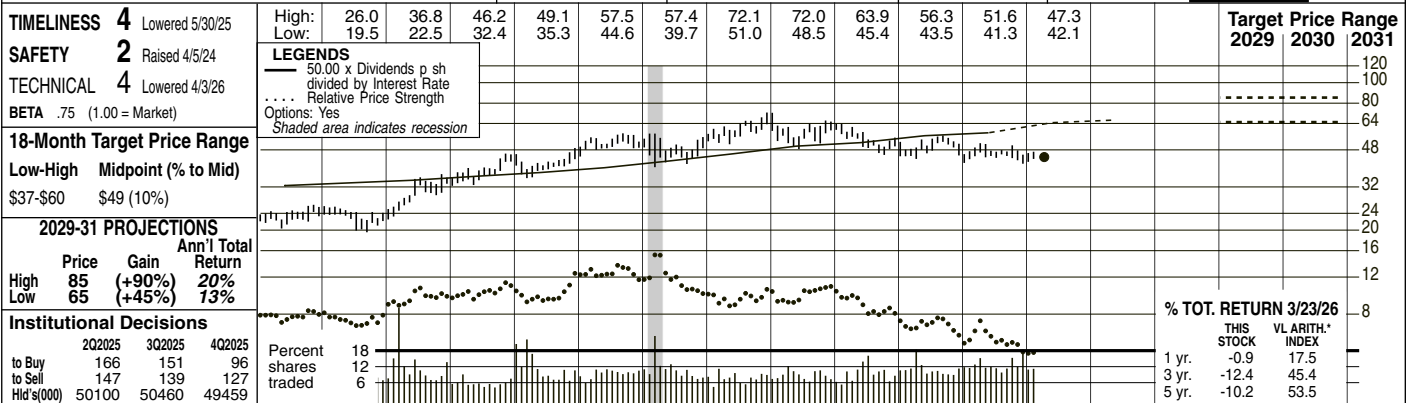
Cal-endar	EARNINGS PER SHARE ^A	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2023	.91 1.45 1.66 .88	4.90
2024	.95 1.42 1.80 1.22	5.39
2025	1.05 1.48 1.94 1.22	5.69
2026	1.10 1.55 2.10 1.35	6.10
2027	1.20 1.70 2.25 1.45	6.60

Cal-endar	QUARTERLY DIVIDENDS PAID ^B	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2022	.6025 .655 .655 .655	2.57
2023	.655 .7075 .7075 .7075	2.78
2024	.7075 .765 .765 .765	3.00
2025	.765 .8275 .8275 .8275	3.25
2026	.8275	

(A) Diluted earnings. Excludes nonrecurring losses: '11, \$0.01; '12, (\$0.10); '13, (\$0.01). GAAP used 2014-2025. Includes \$2.70 sh. gain from sale of HOS sub. in Q4-'21. Next earnings report due early May. (B) Dividends paid in March, June, September, and December. ■ Div. reinvestment available. (C) In millions. (D) Includes intangibles. On 12/31/25: \$1.156 billion, \$5.92/share. Company's Financial Strength B++ Stock's Price Stability 90 Price Growth Persistence 50 Earnings Predictability 65

CALIFORNIA WATER NYSE-CWT

RECENT PRICE **44.45** P/E RATIO **17.5** (Trailing: 20.7 Median: 29.0) RELATIVE P/E RATIO **0.98** DIV'D YLD **3.0%** VALUE LINE



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
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	16.77	18.35	19.15	Revenues per sh	22.15
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	4.57	5.60	5.60	"Cash Flow" per sh	6.25
.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	2.15	2.60	2.75	Earnings per sh ^A	3.10
.60	.62	.63	.64	.65	.67	.69	.72	.75	.79	.85	.92	1.00	1.04	1.12	1.20	1.34	1.38	Div'd Decl'd per sh ^B	1.55
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	8.67	10.75	13.65	Cap'l Spending per sh	12.00
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	28.35	31.55	35.55	Book Value per sh ^C	40.35
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	59.64	60.00	60.00	Common Shs Outst'g ^D	60.00
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	21.5	21.5	21.5	Avg Ann'l P/E Ratio	24.0
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	.80	1.12	1.12	1.12	Relative P/E Ratio	1.30
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%	2.6%	2.6%	2.6%	Avg Ann'l Div'd Yield	2.1%

CAPITAL STRUCTURE as of 12/31/25		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Total Debt \$1604.3 mill.		609.4	666.9	698.2	714.6	794.3	790.9	846.4	794.6	1036.8	1000.1	1100	1150	Revenues (\$mill) ^E	1330					
LT Debt \$1472.0 mill. LT Interest \$40.0 mill.		48.7	67.2	65.6	63.1	96.8	101.1	96.0	51.9	190.8	128.2	155	165	Net Profit (\$mill)	185					
(Total interest coverage: 1.5x) (47% of Cap'l)		35.5%	30.1%	24.5%	19.1%	11.1%	20.1%	3.3%	--	18.3%	13.0%	20.0%	20.0%	Income Tax Rate	20.0%					
Pension Assets-12/25 \$845.0 mill.		6.1%	3.5%	3.1%	5.8%	3.3%	1.7%	--	--	1.7%	2.9%	3.0%	3.0%	AFUDC % to Net Profit	4.0%					
Oblig. \$778.4 mill.		44.6%	42.7%	49.3%	50.2%	45.9%	47.3%	44.4%	42.5%	40.3%	46.5%	46.0%	46.0%	Long-Term Debt Ratio	45.0%					
Pfd Stock None		55.4%	57.3%	50.7%	49.8%	54.1%	52.7%	55.6%	57.5%	59.7%	53.5%	54.0%	54.0%	Common Equity Ratio	55.0%					
Common Stock 59,642,844 shs. as of 2/9/26		1191.2	1209.3	1440.2	1566.7	1702.4	2233.4	2370.1	2479.5	2739.8	3161.3	3500	3950	Total Capital (\$mill)	4400					
MARKET CAP: \$2.7 billion (Small Cap)		1859.3	2048.0	2232.7	2406.4	2650.6	2846.9	3058.9	3773.3	4134.6	4579.6	5075	5725	Net Plant (\$mill)	6350					
CURRENT POSITION		5.5%	7.1%	5.9%	5.5%	7.0%	5.5%	5.0%	3.1%	7.9%	4.1%	4.5%	4.0%	Return on Total Cap'l	4.0%					
2023		7.4%	9.7%	9.0%	8.1%	10.5%	8.6%	7.3%	3.6%	11.7%	7.6%	8.0%	7.5%	Return on Shr. Equity	7.5%					
2024		7.4%	9.7%	9.0%	8.1%	10.5%	8.6%	7.3%	3.6%	11.7%	7.6%	8.0%	7.5%	Return on Com Equity	7.5%					
2025		2.4%	4.7%	4.0%	3.2%	6.0%	4.6%	3.2%	NMF	7.7%	3.3%	4.0%	4.0%	Retained to Com Eq	4.0%					
2026		68%	51%	55%	60%	43%	47%	56%	114%	34%	56%	52%	50%	All Div'ds to Net Prof	50%					

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 posted a weak performance in the 2025 fourth quarter. Revenues slipped to \$220 million, from \$222 million the year before, and diluted earnings per share fell to \$0.19 from \$0.33, both figures landing beneath our forecast targets. The utility's results were held back by unusually wet and cold December weather across California, which reduced usage enough to offset price increases. On a full-year basis, the company's poor comparisons appear better when viewed through the lens of the substantial 2024 catch-up benefit from delayed California rate relief. However, higher wholesale water, labor, bad-debt, and depreciation costs all pressed on margins.

The year ahead should show a stronger profit. Regulation and capital spending will drive results over the near term. The California Public Utilities Commission's (CPUC) most recent decision would add \$92.3 million of revenue in 2026, followed by smaller increases in 2027 and 2028, improving earnings visibility, but still falling short of the company's original request. Management still sees about 12% annual rate-base growth through 2027, with acquisitions and PFAS-related spending adding further upside to the regulated earnings base. Ultimately, we look for a 20% earnings recovery in 2026, to \$2.60 per share, followed by a more modest rise to \$2.75 per share in 2027.

The long view is also constructive. Over the next three to five years, California Water's outlook remains supported by steady infrastructure spending, population growth in newer markets, and expansion beyond the Golden State, which could gradually broaden its earnings base. Still, the longer-term case depends on smooth regulatory recovery, and the successful integration of acquisitions. And, a lower interest rate backdrop would certainly help. **The shares remain untimely, but long-term conservative accounts could find something to like.** Near-term performance will likely be driven by broader forces, such as market-risk rotation and the path of interest rates. However, we see potential for long-term value based on the dividend yield and current discount to the historically high price-to-earnings ratio.

(A) Basic EPS. Excl. nonrecurring gain (loss): '11, 4c. Next earnings report due late April.	(B) Dividends historically paid in late Feb., May, Aug., and Nov. ■ Div'd reinvestment plan available.	(C) Incl. intangible assets. In '25 : \$76.9 mill., \$1.29/sh.	(D) In millions.	(E) Excludes non-regulated revenues.	Company's Financial Strength	B++
					Stock's Price Stability	90
					Price Growth Persistence	45
					Earnings Predictability	40

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ESSENTIAL UTIL. NYSE-WTRG

RECENT PRICE **40.00** P/E RATIO **17.6** (Trailing: 18.1; Median: 26.0) RELATIVE P/E RATIO **0.98** DIV'D YLD **3.4%** **VALUE LINE**

TIMELINESS — Suspended 4/3/26	High: 31.1	35.8	39.6	39.4	47.3	54.5	53.9	53.7	49.3	41.8	42.4	41.8	Target Price Range 2029 2030 2031
SAFETY 2 Raised 4/5/24	Low: 24.4	28.0	29.4	32.1	32.7	30.4	41.1	38.5	32.1	33.6	33.2	36.4	
TECHNICAL — Suspended 4/3/26	LEGENDS — 17.5 x "Cash Flow" p sh ... Relative Price Strength 5-for-4 split 9/13 Options: Yes Shaded area indicates recession												96
BETA .80 (1.00 = Market)													80



2029-31 PROJECTIONS		Ann'l Total Return	
High	Price	Gain	19%
Low	75	(+90%)	
	55	(+40%)	11%

Institutional Decisions		Percent shares traded	
202025	302025	402025	
to Buy	355	345	228
to Sell	267	253	252
Hld's(000)	223582	230535	226605

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
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	8.74	9.35	9.85	Revenues per sh	10.75
1.42	1.45	1.51	1.82	1.89	1.87	2.07	2.12	1.90	1.73	2.21	2.89	2.98	3.08	3.51	3.65	4.00	4.00	"Cash Flow" per sh	4.30
.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	2.20	2.50	2.60	Earnings per sh	2.85
4.7	.50	.54	.58	.63	.69	.74	.79	.85	.91	.97	1.04	1.11	1.19	1.27	1.33	1.43	1.50	Div'd Decl'd per sh ^B	1.75
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	5.25	5.25	5.00	Cap'l Spending per sh	5.00
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	24.22	23.35	23.60	Book Value per sh ^D	26.05
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	283.08	285.00	286.00	Common Shs Outst'g ^C	288.00
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	17.4	17.5	17.5	Avg Ann'l P/E Ratio	23.0
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	.91	.90	.91	.90	Relative P/E Ratio	1.30
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%	3.5%	3.3%	3.5%	Avg Ann'l Div'd Yield	2.8%

CAPITAL STRUCTURE as of 12/31/25		819.9	809.5	838.1	889.7	1462.7	1878.1	2288.0	2053.8	2086.1	2474.6	2665	2815	Revenues (\$mill)	3100
Total Debt	\$8335.9 mill.	234.2	239.7	192.0	224.5	284.8	431.6	465.2	498.2	595.3	616.4	715	745	Net Profit (\$mill)	820
LT Debt	\$8131.8 mill. LT Interest \$300.0 mill. (54% of Cap'l)	8.2%	6.6%	--	--	--	--	--	--	--	6%	5.0%	10.0%	Income Tax Rate	20.0%
Pension Assets-12/24	\$312.3 mill. Oblig. \$313.7 mill.	3.8%	6.3%	6.8%	7.2%	4.5%	4.8%	1.3%	2.2%	2.2%	1.3%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
Pfd Stock	None	48.4%	50.6%	54.4%	43.1%	54.0%	52.7%	54.2%	53.7%	54.3%	54.3%	54.0%	54.5%	Long-Term Debt Ratio	54.5%
Common Stock	283,083,000 shares	51.6%	49.4%	45.6%	56.9%	46.0%	47.3%	45.8%	46.3%	45.7%	45.7%	46.0%	45.5%	Common Equity Ratio	45.5%
		3587.7	3965.4	4407.8	6824.2	10192	10964	11748	12722	13567	14989	14450	14850	Total Capital (\$mill)	16500
		5001.6	5399.9	5930.3	6345.8	9512.9	10252	11131	12097	13143	14290	14500	15250	Net Plant (\$mill)	17100
		7.6%	7.1%	5.5%	4.2%	3.7%	4.8%	5.0%	5.0%	5.4%	5.2%	5.0%	5.0%	Return on Total Cap'l	5.0%
		12.7%	12.2%	9.6%	5.8%	6.1%	8.3%	8.7%	8.5%	9.6%	9.0%	10.5%	11.0%	Return on Shr. Equity	11.0%
		12.7%	12.2%	9.6%	5.8%	6.1%	8.3%	8.7%	8.5%	9.6%	9.0%	10.5%	11.0%	Return on Com Equity	11.0%
		5.6%	5.1%	2.1%	.9%	1.1%	3.3%	3.3%	3.1%	4.0%	3.5%	4.5%	4.5%	Retained to Com Eq	4.0%
		56%	59%	79%	84%	82%	60%	62%	64%	58%	61%	57%	58%	All Div'ds to Net Prof	62%

Essential Utilities has secured shareholder approval for the previously announced merger with American Water. To reiterate, the transaction, which is valued around \$63 billion including debt, would see Essential shareholders receive 0.305 shares of American Water for each WTRG share held. The deal has been given the nod by both companies' board of directors and shareholders, but regulatory approvals still need to be met to finalize the merger. Nevertheless, the transaction, which would create the largest regulated water operator in the U.S., remains on track to close within the first quarter of 2027.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25 to '29-'31
of change (per sh)	6.0%	10.0%	5.0%
Revenues	6.5%	12.0%	4.0%
"Cash Flow"	6.0%	14.0%	5.5%
Earnings	7.0%	7.0%	5.5%
Dividends	9.5%	7.5%	2.5%
Book Value			

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	699.1	2474.6
2026	800	575	535	755	2665
2027	825	615	575	800	2815

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2023	.72	.34	.30	.50	1.86
2024	.97	.28	.25	.67	2.17
2025	1.03	.38	.33	.47	2.20
2026	1.05	.40	.35	.70	2.50
2027	1.07	.42	.38	.73	2.60

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	1.33
2026	.342				

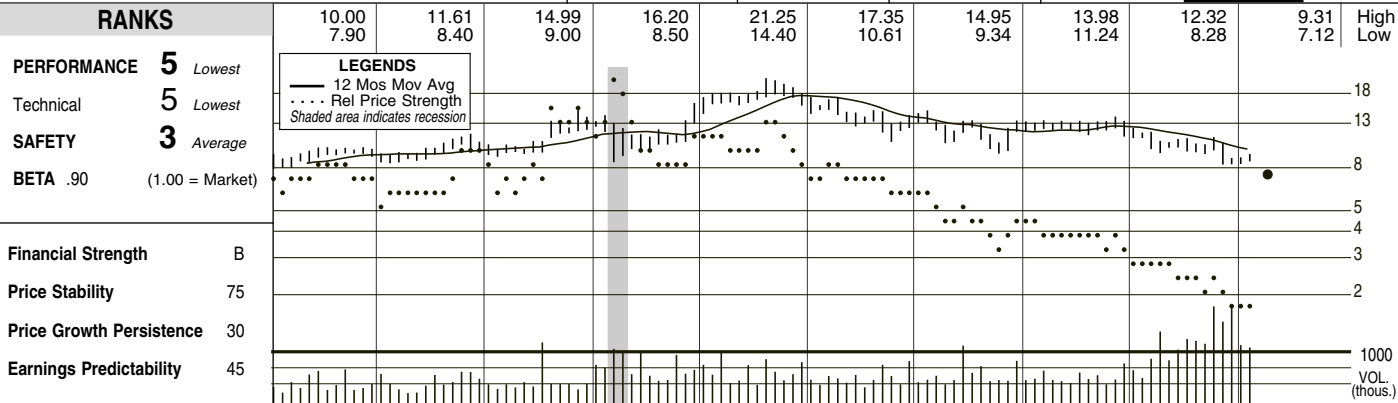
(A) Diluted earnings. Represents non-GAAP earnings or loss starting in 2025. Includes unusual gain: '24, Q1, 24c; Excludes nonrecurring gain: '12, 18c. Excludes gains from discontinued operations: '12, 7c; '13, 9c; '14, 11c. Next egs. report scheduled for late May. (B) Dividends historically paid in early March, June, Sept., & Dec. Div'd. reinvestment plan available (5% discount). (C) In millions, adjusted for stock split. (D) Includes intangibles: 12/31/25, \$2.351 bill./\$.831 a share.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	30
Earnings Predictability	75

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GLOBAL WATER RES. NDQ--GWRS

RECENT PRICE **7.43** TRAILING P/E RATIO **67.5** RELATIVE P/E RATIO **3.80** DIV'D YLD **4.1%** 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	1.94	
"CASH FLOW" PER SH	.58	.49	.49	.45	.58	.65	.79	.76	.64	
EARNINGS PER SH	.23	.15	.10	.05	.16	.24	.33	.24	.11	.06 ^A /.12 ^C
DIV'DS DECL'D PER SH	.28	.28	.29	.29	.29	.30	.30	.30	.30	
CAP'L SPENDING PER SH	1.06	.22	.52	.40	.81	1.42	.91	1.33	2.34	
BOOK VALUE PER SH	.76	1.30	1.15	1.43	1.33	1.86	1.99	1.97	3.01	
COMMON SHS OUTST'G (MILL)	19.63	21.47	21.54	22.59	22.65	23.87	24.49	24.23	28.76	
AVG ANN'L P/E RATIO	40.1	63.9	NMF	NMF	NMF	58.9	36.7	52.2	93.1	NMF/61.9
RELATIVE P/E RATIO	2.01	3.61	NMF	NMF	NMF	3.90	2.26	2.96	5.26	
AVG ANN'L DIV'D YIELD	3.0%	3.0%	2.6%	2.5%	1.7%	2.1%	2.5%	2.4%	3.0%	
REVENUES (\$MILL)	31.2	35.5	35.5	38.6	41.9	44.7	53.0	52.7	55.8	Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.
OPERATING MARGIN	45.7%	47.1%	43.2%	42.4%	39.3%	40.0%	44.7%	41.9%	40.4%	
DEPRECIATION (\$MILL)	6.9	7.5	8.4	9.0	9.5	10.1	11.4	12.7	15.4	
NET PROFIT (\$MILL)	4.6	3.1	2.2	1.1	3.6	5.5	8.0	5.8	3.0	
INCOME TAX RATE	--	36.5%	34.3%	41.1%	24.2%	14.5%	26.5%	26.4%	25.8%	
NET PROFIT MARGIN	14.6%	8.7%	6.3%	2.9%	8.6%	12.3%	15.1%	11.0%	5.3%	
WORKING CAP'L (\$MILL)	.7	7.7	2.2	11.1	2.1	d2.1	d2.5	d2.8	d4.6	
LONG-TERM DEBT (\$MILL)	114.4	114.5	114.7	112.7	108.9	104.9	103.7	118.5	133.5	
SHR. EQUITY (\$MILL)	14.9	27.9	24.7	32.2	30.0	44.4	48.6	47.6	86.6	
RETURN ON TOTAL CAP'L	5.5%	4.0%	3.5%	2.6%	4.5%	5.0%	6.8%	5.3%	2.7%	
RETURN ON SHR. EQUITY	30.6%	11.1%	9.0%	3.4%	12.0%	12.4%	16.4%	12.2%	3.4%	
RETAINED TO COM EQ	NMF	11.1%	NMF	NMF	12.0%	12.4%	1.6%	NMF	NMF	
ALL DIV'DS TO NET PROF	119%	--	NMF	NMF	--	--	90%	NMF	NMF	

^ANo. of analysts changing earn. est. in last 23 days: 0 up, 0 down, consensus 5-year earnings growth not available. ^BBased upon one analyst's estimate. ^CBased upon one analyst's estimate.

ANNUAL RATES		
of change (per share)	5 Yrs.	1 Yr.
Sales	4.5%	-11.0%
"Cash Flow"	9.0%	-16.5%
Earnings	18.0%	-54.0%
Dividends	1.0%	1.5%
Book Value	12.5%	53.5%

Fiscal Year	QUARTERLY SALES (\$mill.)				Full Year
	1Q	2Q	3Q	4Q	
12/31/23	13.1	13.0	14.5	12.4	53.0
12/31/24	11.6	13.5	14.3	13.3	52.7
12/31/25	12.6	14.2	15.5	13.5	55.8
12/31/26					

Fiscal Year	EARNINGS PER SHARE				Full Year
	1Q	2Q	3Q	4Q	
12/31/22	.04	.09	.07	.04	.24
12/31/23	.10	.07	.11	.05	.33
12/31/24	.03	.07	.12	.02	.24
12/31/25	.02	.06	.06	d.03	.11
12/31/26	d.02	.03	.03		

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	1Q	2Q	3Q	4Q	
2023	.074	.074	.074	.074	.30
2024	.075	.075	.075	.075	.30
2025	.075	.075	.075	.076	.30
2026	.076				

INSTITUTIONAL DECISIONS			
	2Q'25	3Q'25	4Q'25
to Buy	51	40	32
to Sell	27	33	36
Hld's(000)	7991	8015	8098

ASSETS (\$mill.)	2023	2024	12/31/25
Cash Assets	3.1	9.0	4.1
Receivables	2.8	3.2	7.7
Inventory	.0	.0	.0
Other	5.8	7.3	2.8
Current Assets	11.7	19.5	14.6

	2023	2024	12/31/25
Property, Plant & Equip, at cost	465.7	513.0	614.8
Accum Depreciation	142.4	153.6	169.0
Net Property	323.3	359.4	445.8
Other	26.1	26.2	34.9
Total Assets	361.1	405.1	495.3

LIABILITIES (\$mill.)	2023	2024	12/31/25
Accts Payable	1.0	2.1	2.3
Debt Due	3.9	3.9	4.8
Other	9.3	16.3	12.1
Current Liab	14.2	22.3	19.2

LONG-TERM DEBT AND EQUITY as of 12/31/25
 Total Debt \$138.3 mill. Due in 5 Yrs. \$4.8 mill.
 LT Debt \$133.5 mill.
 Including Cap. Leases \$.7 mill. (61% of Cap'l)
 Leases, Uncapitalized Annual rentals \$.6 mill.

Pension Liability None in '25 vs. None in '24
Pfd Stock None Pfd Div'd Paid None
Common Stock 28,757,000 shares (39% of Cap'l)

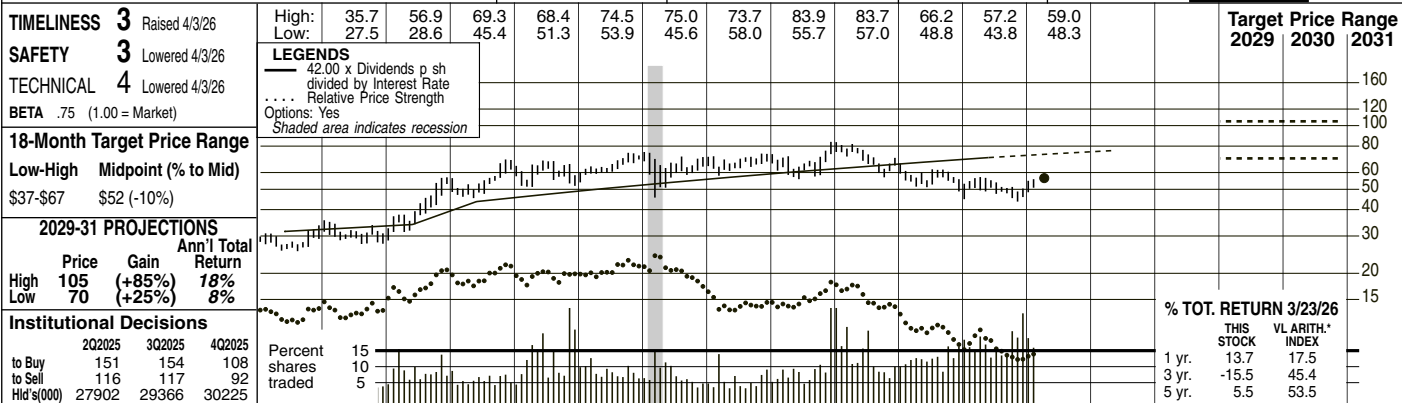
INDUSTRY: Water Utility

BUSINESS: 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 126 employees. Chairman, C.E.O. & President: Ron L. Fleming Address: 21410 N. 19th Avenue #220, Phoenix, AZ 85027. Tel.: (480) 360-7775. Internet: www.gwresources.com.

J.V.

April 3, 2026

TOTAL SHAREHOLDER RETURN				
Dividends plus appreciation as of 3/23/2026				
3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
-12.32%	-25.47%	-31.07%	-33.67%	-49.93%



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
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	22.17	20.10	21.65	Revenues per sh	25.70
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	6.18	4.50	4.70	"Cash Flow" per sh	5.30
.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	2.99	3.30	3.45	Earnings per sh ^A	3.85
.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	1.82	Div'd Decl'd per sh ^{BD}	1.95
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	14.48	10.50	9.75	Cap'l Spending per sh	8.75
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	42.66	38.10	40.65	Book Value per sh	50.00
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	36.12	42.00	40.00	Common Shs Outst'g ^C	35.00
29.1	21.2	20.4	24.3	11.2	16.6	15.7	18.8	32.7	NMF	30.0	32.9	27.3	26.4	19.9	16.9	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	23.0
1.85	1.33	1.30	1.37	.59	.84	.82	.95	1.77	NMF	1.54	1.78	1.58	1.47	1.04	.88			Relative P/E Ratio	1.30
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 12/31/25		2020	2021	2022	2023	2024	2025	2026	2027	Revenues (\$mill)		2020	2021	2022	2023	2024	2025	2026	2027
Total Debt	\$1977.1 mill. Due in 5 Yrs \$44.3 mill.	339.7	389.2	397.7	420.5	564.5	573.7	620.7	670.4	748.4	800.6	845	865	Revenues (\$mill)	900				
LT Debt	\$1866.8 mill. LT Interest \$50.0 mill. (LT Interest Coverage: 7.5x)	52.8	59.2	38.8	23.4	61.5	60.5	73.8	85.0	94.0	102.6	135	140	Net Profit (\$mill)	135				
	(55% of Cap'l)	38.8%	36.7%	20.6%	26.4%	12.0%	12.2%	10.3%	6.5%	8.7%	10.7%	21.0%	21.0%	Income Tax Rate	21.0%				
		--	--	--	--	--	--	6.4%	--	6.4%	7.2%	2.5%	1.5%	AFUDC % to Net Profit	1.5%				
		50.7%	48.2%	32.7%	59.1%	58.4%	59.1%	57.3%	55.3%	55.5%	54.8%	49.0%	47.0%	Long-Term Debt Ratio	38.5%				
		49.3%	51.8%	67.3%	40.9%	41.6%	40.9%	42.7%	44.7%	44.5%	45.2%	51.0%	53.0%	Common Equity Ratio	61.5%				
		855.0	894.3	1320.7	2173.6	2204.7	2527.5	2602.8	2760.1	3073.9	3407.6	3150	3075	Total Capital (\$mill)	2850				
		1146.4	1239.3	1328.8	2206.5	2334.9	2497.5	2630.3	3155.6	4473.5	3923.3	3850	3900	Net Plant (\$mill)	4050				
		7.4%	7.9%	3.9%	1.8%	4.0%	3.5%	4.0%	4.3%	4.2%	4.2%	5.0%	5.0%	Return on Total Cap'l	5.0%				
		12.5%	12.8%	4.4%	2.6%	6.7%	5.8%	6.6%	6.9%	6.9%	6.7%	8.5%	8.5%	Return on Shr. Equity	7.5%				
		12.5%	12.8%	4.4%	2.6%	6.7%	5.8%	6.6%	6.9%	6.9%	6.7%	8.5%	8.5%	Return on Com Equity	7.5%				
		8.6%	8.2%	1.8%	NMF	2.7%	2.0%	2.7%	3.0%	3.1%	2.9%	4.0%	4.0%	Retained to Com Eq	4.0%				
		31%	36%	60%	NMF	59%	66%	59%	56%	55%	57%	53%	53%	All Div'ds to Net Prof	51%				

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 90,000 residents in the region between San Antonio and Austin, Texas. The company merged with Connecticut Water (10/19) and services approx. 143,000 connections. H2O America changed its name from SJW Group in early 2025. Has 837 employees. Officers and directors own less than 1.0% of outstanding shares (4/25 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 '23-'25 to '29-'31
Revenues	4.0%	6.0%	3.0%	
"Cash Flow"	5.0%	9.5%	-2.5%	
Earnings	4.5%	12.5%	5.0%	
Dividends	8.0%	6.0%	3.5%	
Book Value	9.0%	5.0%	3.5%	

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	194.1	800.6
2026	175	205	245	220	845
2027	180	210	250	225	865

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2023	.37	.58	1.13	.59	2.68
2024	.36	.64	1.17	.68	2.87
2025	.50	.75	1.27	.45	2.99
2026	.55	.75	1.33	.67	3.30
2027	.60	.77	1.35	.73	3.45

Cal-endar	QUARTERLY DIVIDENDS PAID ^{BD}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	1.68
2026	.44				

H2O America posted modest year-over-year revenue and earnings growth for 2025. Revenues clocked in at \$801 million, while earnings of \$2.99 per share improved decently. Note that our financial presentation is in non-GAAP for 2025. On a like-to-like basis, the bottom line still registered a 4 cent advance from the previous-year figure. Driving the steady results were higher water rates due to periodic rate increases, coupled with an increased customer base thanks to recent asset acquisitions. For the current year, we look for notable top- and bottom-line improvements.

The company is raising funds via the issuance of common stock. Specifically, a public offering of \$550 million has been announced, with \$150 million worth being sold directly to the underwriters, and the remaining \$400 million to affiliates. The primary use of the funds will likely be for the previously announced Quadvest acquisition (\$540 million), along with general and corporate purposes. The deal, which is still moving through the regulatory approval process, is expected to close around the end of the second quarter of this year.

Management recently rolled out a relatively aggressive five-year capital spending plan. Over the pull to late decade, H2O's capex budget has been set at around \$2.7 billion, representing a 31% increase over the previous five-year plan. Indeed, capital will likely be allocated across various water system infrastructure and facility upgrades, PFAS remediation, and to support expansion of the pending Quadvest acquisition mentioned above. On balance, we think this spending ought to pave the way for additional rate hikes in the years ahead, and should underpin healthy annual top- and bottom-line growth.

The stock is ranked to move in line with the year-ahead broader market averages. On the other hand, investors with an eye to late decade may want to consider a position here. Supported by an above-average dividend yield, H2O shares offer enticing total return potential over the 2029-2031 horizon. Prospects for a healthier macroeconomic landscape further out augur well for customer water consumption, too.

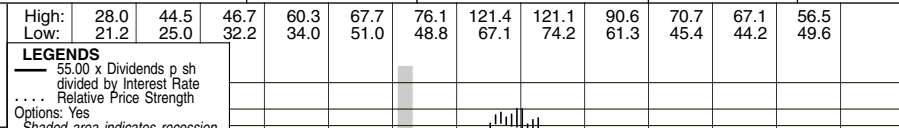
Nicholas Patrikis
April 3, 2026

(A) Diluted earnings. Excludes nonrecurring losses: '10, \$0.46. GAAP accounting as of 2013, non-GAAP starting in 2025. Next earnings report due early May. Quarterly egs. may not add due to rounding. (B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available. (C) In millions. (D) Paid special dividend of \$0.17 per share on 11/17.

MIDDLESEX WATER NDQ-MSEX

RECENT PRICE **50.92** P/E RATIO **20.0** (Trailing: 21.6 Median: 28.0) RELATIVE P/E RATIO **1.12** DIV'D YLD **2.8%** **VALUE LINE**

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

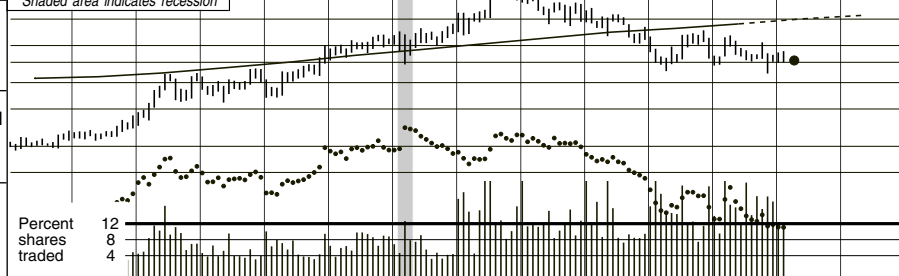


Target Price Range
 2029 2030 2031

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$39-\$72 \$56 (10%)

2029-31 PROJECTIONS
 High Price Gain Ann'l Total
 Low 115 (+125%) 24%
 75 (+45%) 12%

Institutional Decisions
 2Q2025 3Q2025 4Q2025
 to Buy 119 106 62
 to Sell 77 87 82
 Hlds(000) 13523 14363 15221



% TOT. RETURN 3/23/26
 THIS STOCK VL ARITH' INDEX
 1 yr. -12.9 17.5
 3 yr. -26.9 45.4
 5 yr. -28.2 53.5

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
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	10.51	11.35	11.80	Revenues per sh	12.55
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	3.99	3.70	3.80	"Cash Flow" per sh	4.50
.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	2.36	2.60	2.75	Earnings per sh A	3.45
.72	.73	.74	.75	.76	.78	.81	.86	.91	.98	1.04	1.11	1.18	1.26	1.32	1.38	1.46	1.52	Div'd Decl'd per sh B	1.65
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	5.20	5.45	5.65	Cap'l Spending per sh	6.00
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	26.67	27.85	28.15	Book Value per sh	29.45
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	18.52	18.50	18.65	Common Shs Outst'g C	18.75
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	23.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	28.0
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	1.23	1.22			Relative P/E Ratio	1.55
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 12/31/25
 Total Debt \$417.4 mill.
 LT Debt \$380.7 mill. LT Interest \$7.5 mill.
 (Total interest coverage: 8.4x)
 (46% 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 18,521,000 shs.

MARKET CAP: \$950 million (Small Cap)

132.9	130.8	138.1	134.6	141.6	143.1	162.4	166.3	191.9	194.7	210	220	Revenues (\$mill)	235
22.7	22.8	32.5	33.9	38.4	36.5	42.4	31.5	44.4	42.8	48.0	51.0	Net Profit (\$mill)	65.0
34.0%	32.7%	2.8%	--	--	--	7.1%	3.2%	13.5%	10.1%	21.0%	21.0%	Income Tax Rate	21.0%
2.7%	3.1%	1.4%	3.4%	3.9%	--	--	--	3.9%	1.5%	2.0%	3.0%	AFUDC % to Net Profit	3.0%
37.9%	37.5%	37.8%	41.5%	44.0%	45.3%	41.9%	45.7%	44.1%	43.5%	41.5%	39.0%	Long-Term Debt Ratio	35.5%
61.5%	61.8%	61.6%	58.2%	55.7%	54.4%	57.7%	54.0%	55.7%	56.4%	58.0%	61.0%	Common Equity Ratio	64.5%
355.4	370.7	404.1	556.7	621.5	676.3	692.7	783.2	799.7	876.1	840	845	Total Capital (\$mill)	850
517.8	557.2	618.5	705.7	796.6	865.4	920.6	998.3	1067.1	1161.5	1185	1200	Net Plant (\$mill)	1275
7.1%	6.9%	8.9%	6.7%	6.8%	6.0%	6.8%	4.8%	6.3%	5.7%	6.0%	6.3%	Return on Total Cap'l	8.0%
10.3%	9.8%	12.9%	10.4%	11.0%	9.9%	10.5%	7.4%	9.9%	8.6%	9.5%	9.5%	Return on Shr. Equity	11.0%
10.3%	9.9%	13.0%	10.4%	11.1%	9.9%	10.6%	7.4%	9.9%	8.4%	9.5%	10.0%	Return on Com Equity	11.5%
4.3%	3.8%	7.0%	5.4%	5.8%	4.6%	5.4%	2.1%	4.7%	3.3%	4.0%	4.5%	Retained to Com Eq	6.0%
58%	62%	46%	48%	48%	53%	49%	72%	53%	58%	56%	55%	All Div'ds to Net Prof	49%

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 2025, the Middlesex System accounted for 67% of operating revenues. At 12/31/25, the company had 395 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.

CURRENT POSITION (SMILL)

	2023	2024	12/31/25
Cash Assets	2.4	4.2	2.8
Other	106.1	38.8	39.0
Current Assets	108.5	43.0	41.8
Accts Payable	27.6	28.1	31.3
Debt Due	7.7	7.7	36.7
Other	68.5	47.1	25.8
Current Liab.	103.8	82.9	93.8

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25 to '29-'31
Revenues	3.0%	4.5%	3.5%
"Cash Flow"	7.5%	5.0%	2.5%
Earnings	7.0%	1.5%	8.0%
Dividends	5.5%	6.0%	4.0%
Book Value	7.5%	7.0%	2.5%

QUARTERLY REVENUES (\$ mill.)

Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	47.0	194.7
2026	50.0	53.0	55.0	52.0	210
2027	52.0	55.0	60.0	53.0	220

EARNINGS PER SHARE A

Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	.33	.55	.56	.32	1.76
2024	.59	.59	.80	.49	2.47
2025	.53	.60	.77	.46	2.36
2026	.63	.70	.75	.52	2.60
2027	.65	.72	.80	.58	2.75

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	1.38
2026	.36				

Middlesex Water ended 2025 on a somewhat soft note. December-period revenues of \$47 million missed our mark by roughly \$3 million, mirroring the previous-year figure. Likewise, earnings dipped three cents year over year, to \$0.46 per share. For the full-year 2025, top-line results improved modestly versus 2024, while earnings declined notably. The performance was impacted by carry-over costs related to the construction of water treatment facilities at the Middlesex Park Avenue plant, as well as overall lower customer water consumption due to unfavorable weather. However, rate increases and decent growth in the customer base helped offset the abovementioned factors. **Results are poised to considerably improve this year.** Operating revenues have been trending higher in recent periods, specifically in the Middlesex and Tidewater Systems, thanks to a combination of positive rate activity and customer expansion. Lower depreciation expense should be a tailwind, while operating and production costs are likely to remain steady. On balance, we look for 2026 revenues to improve 8%, to \$210 million and

earnings to advance 10%, to \$2.60 per share. Moreover, our introductory 2027 financial projections suggest that modest top- and bottom-line advances are likely in the cards for next year. **The company should perform well over the long haul, too.** First, capital investment on infrastructure enhancements are on tap. Approximately \$126 million is set to be allocated to water main replacements and hydrant installments this year. And through 2028, management plans to splash more than \$500 million on water system upgrades. Elsewhere, Middlesex ought to benefit from periodic rate increases in the years ahead. In February, New Jersey regulators approved a rate hike that is expected to add \$15 million in annual operating revenue going forward. **We like the stock for investors with a 3- to 5-year holding period.** Middlesex shares are ranked to trail the broader market averages over the coming six to 12 months. That said, at the recent quotation, total return potential over the pull to 2029-2031 is attractive. This is supported partly by an above-average dividend yield. *Nicholas Patrikis April 3, 2026*

(A) Diluted earnings. Represents non-GAAP earnings or loss starting in 2025. Quarterly figures may not sum due to rounding. Next earnings report due early May.

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

(C) In millions.

Company's Financial Strength		B++
Stock's Price Stability		65
Price Growth Persistence		50
Earnings Predictability		85