



SJW Group Connecticut Water

New Industry Leader to Deliver Significant Stakeholder Benefits

SJW Group is now one of the largest investor-owned pure play water and wastewater utilities in the United States with the close of its merger with Connecticut Water Service. This transformative combination bolsters financial strength and provides greater geographic and regulatory diversity and scale to deliver benefits to all stakeholders, including customers, employees, local communities and shareholders.

Fast Facts

700+

Dedicated and experienced professionals across the organization

~1.5M

People served across California, Connecticut, Maine, and Texas

\$223M

Expected capital investment by the combined company across its service areas for 2021

Significant Benefits



National scale and geographic and regulatory diversity combined with strong local presence



Outstanding service by dedicated teams of experienced locally-based water professionals



An attractive, stable and higher earnings growth profile, with expected high single-digit percentage earnings per share (EPS) accretion in 2021



Enhanced customer service through sharing of systems, best practices and operational expertise



Robust balance sheet to enhance financial flexibility and continue attractive dividends



Ongoing outreach to local leaders and support of community organizations and events



Capacity to invest in infrastructure and strengthen water systems



Commitments to water resource protection, environmental stewardship and sustainability

SJW Group will maintain its headquarters in San Jose, California, with its New England regional headquarters in Clinton, Connecticut. The parent company of the Connecticut and Maine utility operating subsidiaries will retain the name of Connecticut Water Service, Inc.

Each of the regional utility operating subsidiaries – San Jose Water Company in California; Connecticut Water Company, Avon Water Company, and Heritage Village Water Company in Connecticut; Maine Water Company in Maine; and SJWTX, Inc. (dba Canyon Lake Water Service Company) in Texas – will continue to serve customers under their existing brand names with their local management and employee teams at their existing operating centers.

For more information, please visit our website at www.sjwgroup.com.

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Some of these forward-looking statements can be identified by the use of forward-looking words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “projects,” “strategy,” or “anticipates,” or the negative of those words or other comparable terminology.

The accuracy of such statements is subject to a number of risks, uncertainties and assumptions including, but not limited to, the following factors: (1) the risk that the benefits expected from the merger of SJW Group and Connecticut Water (the “Merger”) will not be realized; (2) the risk that the integration of Connecticut Water will be more difficult, time-consuming or expensive than anticipated; (3) the effect of water, utility, environmental and other governmental policies and regulations, including actions concerning rates, authorized return on equity, authorized debt-to-equity ratios, capital expenditures and other decisions; (4) the outcome of the California Public Utilities Commission’s investigation into the Merger; (5) litigation, including litigation relating to the Merger; (6) changes in demand for water and other products and services; (7) unanticipated weather conditions; (8) climate change and the effects thereof; (9) catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, terrorist acts, physical attacks, cyber-attacks, or other similar occurrences that could adversely affect our facilities, operations, financial condition, results of operations and reputation; (10) unexpected costs, charges or expenses resulting from the Merger; (11) our ability to successfully evaluate investments in new business and growth initiatives; (12) the risk of work stoppages, strikes and other labor-related actions; (13) changes in general economic, political, business and financial market conditions; (14) the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, changes in interest rates, compliance with regulatory requirements, compliance with the terms and conditions of our outstanding indebtedness, and general market and economic conditions; and (15) legislative and economic developments.

In addition, actual results are subject to other risks and uncertainties that relate more broadly to our overall business, including those more fully described in our filings with the SEC, including our Form 10-K for the year ended December 31, 2018 and our Form 10-Q for the quarter ended June 30, 2019. Forward-looking statements are not guarantees of performance, and speak only as of the date made, and we undertake no obligation to update or revise any forward-looking statements except as required by law.