



SJW Group

COAST TO COAST

UBS Midwest Utilities Mini-Conference
March 31, 2021

Forward-Looking Statements

This presentation 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. These forward looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict.

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 effect of water, utility, environmental and other governmental policies and regulations, including actions concerning rates, authorized return on equity, authorized capital structures, capital expenditures and other decisions; (2) changes in demand for water and other services; (3) the impact of the Coronavirus ("COVID-19") pandemic on our business operation and financial results; (4) unanticipated weather conditions and changes in seasonality; (5) climate change and the effects thereof; (6) unexpected costs, charges or expenses; (7) our ability to successfully evaluate investments in new business and growth initiatives; (8) contamination of our water supplies and damage or failure of our water equipment and infrastructure, (9) the risk of work stoppages, strikes and other labor-related actions; (10) catastrophic events such as fires, earthquakes, explosions, floods, ice storms, tornadoes, hurricanes, terrorist acts, physical attacks, cyber-attacks, epidemic or similar occurrences; (11) changes in general economic, political, business and financial market conditions; (12) 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 (13) legislative and general market and economic developments.

Results for a quarter are not indicative of results for a full year due to seasonality and other factors. 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 most recent reports on Form 10-K, Form 10-Q and Form 8-K. Forward-looking statements are not guarantees of performance. All information included in this presentation is as of December 31, 2020, unless stated otherwise, and we undertake no obligation to update or revise any forward-looking statements except as required by law.

Use of Non-GAAP Financial Information

In this presentation, the Company will be discussing the non-GAAP financial measure of Adjusted EBITDA, which is adjusted from results based on GAAP. This non-GAAP financial measure is provided to enhance the investors' overall understanding of the Company's current financial performance and the Company's prospects for the future. We have presented Adjusted EBITDA because we believe it serves as an appropriate measure to be used in evaluating the performance of our business and help our investors better compare our operating performance over multiple periods and that the exclusion of the amounts eliminated in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of our core business performance.

Non-GAAP measures should not be viewed as a substitute for the Company's financial statements prepared in accordance with GAAP. The Company's use of non-GAAP financial measures has certain limitations in that such non-GAAP financial measures may not be directly comparable to those reported by other companies. Other companies may use the same or similarly named measures, but exclude different items, which may not provide investors with a comparable view of our performance in relation to other companies. We seek to compensate for the limitation of the non-GAAP presentation by providing a detailed reconciliation of Adjusted EBITDA to net income in the attached Appendix I.

Experienced Leadership Team with Record of Execution, Regional Focus and Dedication

Leveraged expertise across the multistate platform with a commitment to local markets

Today's speakers: Eric and Jim

Eric W. Thornburg

Chairman, President and
Chief Executive Officer

*38 years of water
utility experience*



Jim Lynch

Chief Financial Officer

10 years with SJW



Andy Gere

President and Chief Operating Officer
of San Jose Water

25 years with SJW



Maureen Westbrook

President of
New England Region

32 years with CTWS



Kristen Johnson

Chief Administrative Officer

13 years with CTWS



Suzy Papazian

Senior Vice President and General Counsel

16 years with SJW



Andrew Walters

Chief Corporate Development Officer and
Integration Executive

7 years with SJW



Key Investment Highlights

Significantly Increased Scale

- A leading national water utility
- Second-largest investor-owned pure-play water and wastewater utility in the United States based on estimated rate bases with 93% regulated earnings

Growth with Geographic and Regulatory Diversity

- 2021 board approved CapEx of \$239 million, driving growth across four-state footprint (California, Texas, Connecticut and Maine) and with strong regulatory relationships in credit-supportive jurisdictions
- Regulatory lag is minimized by forward test year in CA and infrastructure replacement surcharge mechanisms in CT and ME, and soon in TX

Reinforced Pure-Play Regulated Water Strategy [ESG]

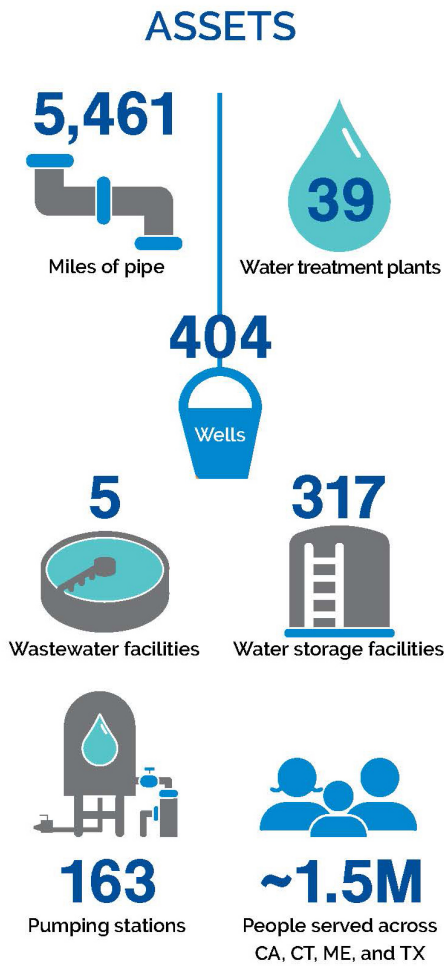
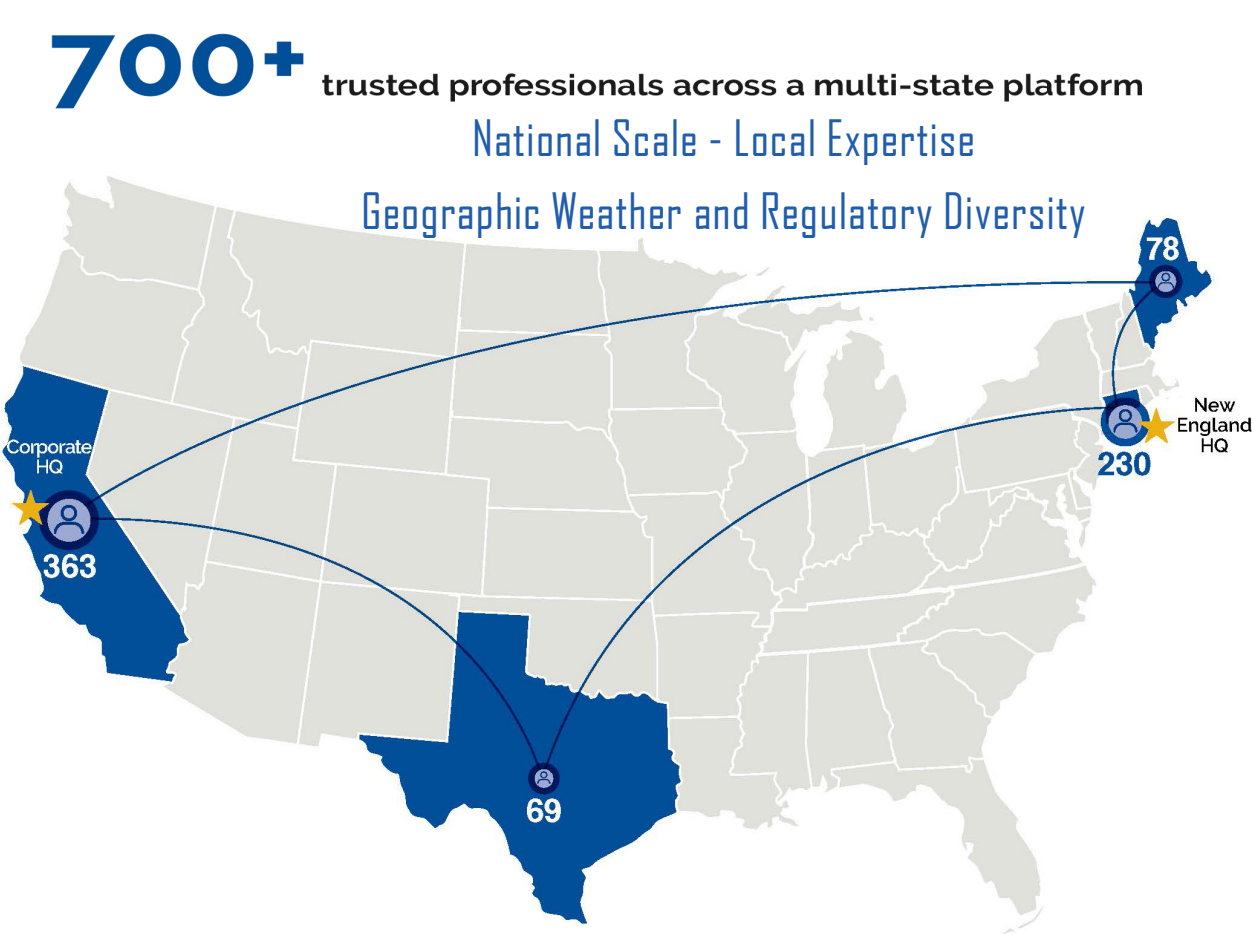
- Stronger platform for organic investment reinforces SJW strategy of regulated water utility infrastructure growth
- Acquisition opportunities in four states and across the U.S.
- ISS Governance score is a 2, ranked second among U.S. water utilities in combined ISS Environmental and Social Quality Score

Improved Liquidity and Access to Capital

- Significant capital market access and increased liquidity
- Strong balance sheet with over \$3 billion in assets
- A- rating from S&P

Strong Dividend Track Record

- Industry-leading dividend growth, exceeding 10% over the past 5 years
- 77 consecutive years paying a dividend
- Increased 53 consecutive years



Second-Largest Pure-Play Water/Wastewater Utility by Rate Base¹ in the U.S.

Market Data²

As of December 31, 2020, unless otherwise noted

- \$3.4 Billion Total Enterprise Value²
- \$2.0 Billion Market Capitalization²
- 1.85% Dividend Yield²
- 158% 5-Year Total Shareholder Return
- \$565 Million Operating Revenue in 2020

Resources

As of December 31, 2020, unless otherwise noted

- 390,000 Service Connections
- \$1.7 Billion Rate Base³

¹ Based on investor-owned water utilities by estimated rate base.

² Source: Bloomberg. As of December 31, 2020.

³ An approximation of rate base, which includes Net Utility Plant not yet included in rate base pending rate case filings/outcomes.

SJW Group at a Glance: Pure-Play Water



San Jose Water

- Regulated California water utility
- Serving San Jose and the Silicon Valley
- Growth supported by a robust set of infrastructure replacement opportunities



Connecticut Water

- Regulated Connecticut water utility
- Serves portions of 60 communities that are predominantly suburban and rural
- 1% of pipe replaced annually through Water Infrastructure and Conservation Adjustment (WICA) surcharge



Maine Water

- Regulated Maine water utility serving 21 cities and towns
- “Best in Class” Water Infrastructure Charge (WISC) infrastructure surcharge



SJWTX (Canyon Lake Water Service Company)

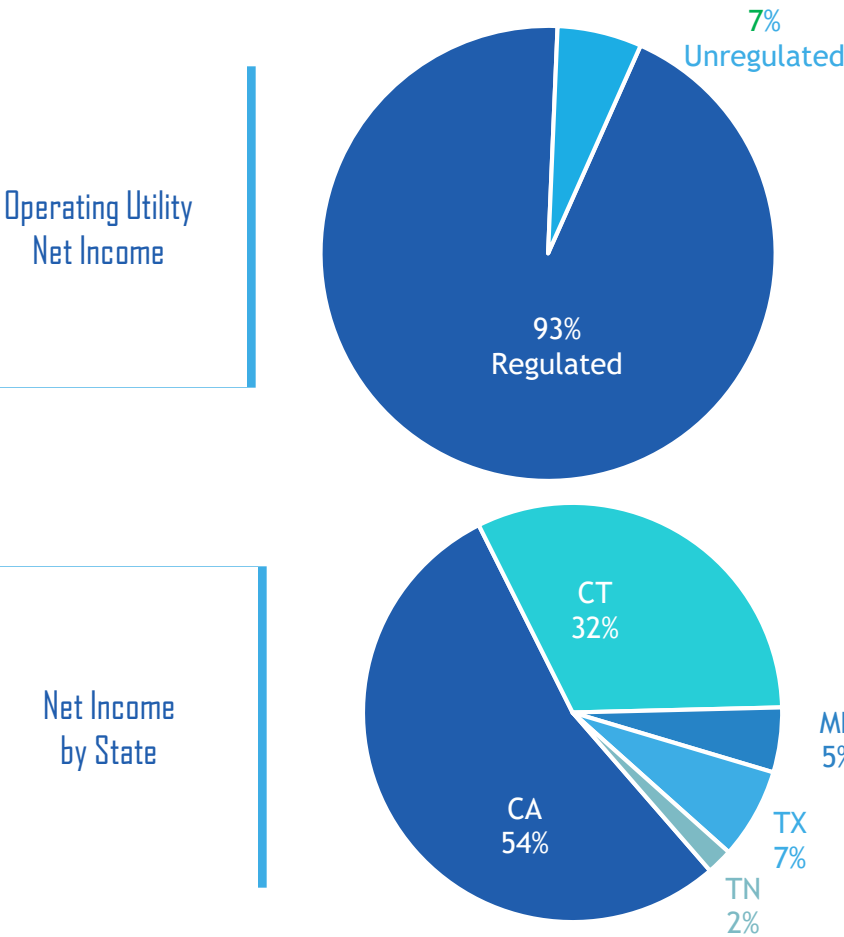
- Regulated Texas water utility
- Located in one of the fastest-growing regions in the U.S.



SJW Land Company

- Nonregulated
- Tax-advantaged, income-producing properties for future disposition as capital needs warrant; currently unlevered

Pure-Play Water Utility Company



Health and Safety

- Protect employee and public health during COVID-19 pandemic

Service

- Deliver customer satisfaction at world-class levels
- Execute capital plan
- Reimagine work based on COVID-19 experience

Community

- Conservation education
- Charitable giving
- Raise awareness of the value of water

Shareholder

- Continue to seek acquisition opportunities
- Support growth of Texas utility
- Cost of Capital proceeding in California
- Rate cases in California, Connecticut and Maine



Our Foundation

Shareholders

- Leverage regulatory compact
- Infrastructure investment and earning a return “of and on” investment
- Focus on core water and wastewater
- Maintain constructive regulatory relationships
- Deliver growth that adds shareholder value

Environment

- Passionate about stewardship and the value of water
- Protect and manage water and watershed for sustainability in order to serve current and future generations
- Use available ratemaking tools to encourage conservation
- Leverage technology to minimize water loss
- A water service provider — not a water seller
- Invest in sustainability and reduce carbon footprint

Customers/Communities

- Provide high-quality water
- Responsive and courteous service
- High level of community engagement
- Deliver world-class service
- Customer financial assistance programs
- Be a positive force in the community

Employees

- Passionate employees delivering a life-sustaining service
- Values-based, team-oriented approach
- Healthy, safe and secure workplace
- Invest in education and leadership development for our water professionals

Growth Strategy

Capital Expenditure (CapEx)

- Investment in water utility infrastructure and earning a return “of and on” that investment
- Timely recovery of investment through infrastructure surcharge mechanisms in Connecticut and Maine, and available soon in Texas
- Forward test year in California

Constructive Regulatory Relations

- Experienced and highly regarded regulatory team working cooperatively with state commissions to align customer and shareholder interests

Acquisitions

- Opportunistic
- Water and wastewater systems
- National footprint for growth



Regulated Model Earnings Growth

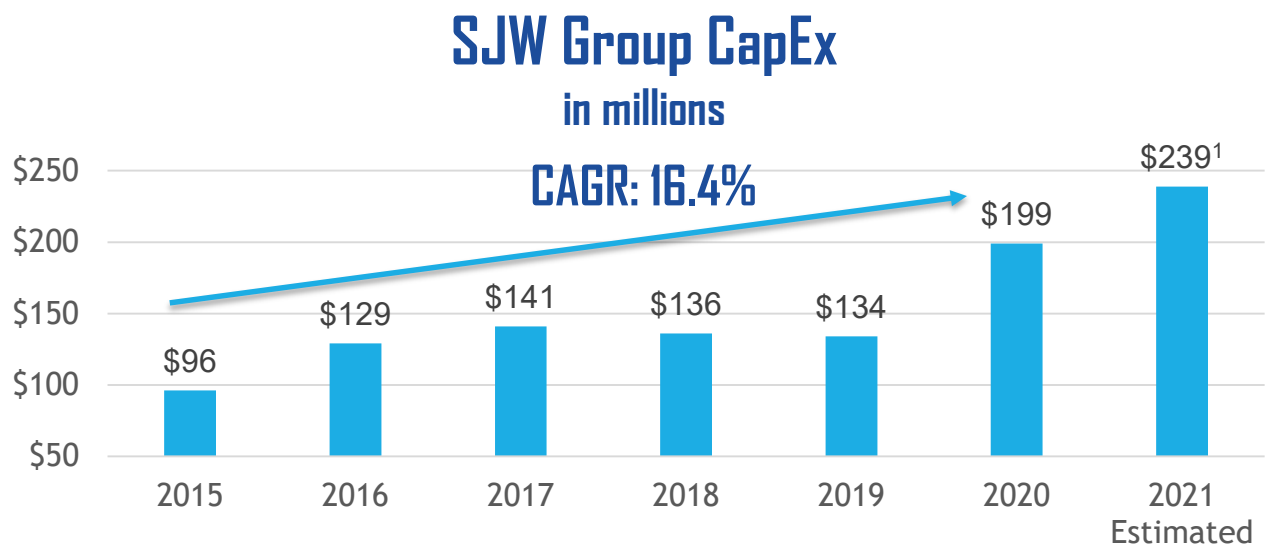
CapEx Drives Earnings

Invest in water infrastructure	\$100.00
Average Targeted Financing	\$50.00
• 50% to Debt	\$50.00
• 50% to Equity	
8.9% - 10.88% ¹ Regulatory Return on Equity (ROE) (per new share of SJW)	\$5.79 - \$7.07
2020 EPS	\$2.14

¹ Authorized ROE varies by subsidiary.



Infrastructure Investment Drives Rate Base Growth



Infrastructure Surcharge Mechanisms

Forward Test Year

Reduced Regulatory Lag

State	CT	ME	TX
Mechanism	WICA	WISC	DSIC
Allowed Surcharge	10%	20%	TBD
CA is a forward test year state, which minimizes regulatory lag → build to authorized budget			

2021 CapEx

- More than \$125 million allocated to pipe and main replacements
- California achieved its \$320 million 3-year capital program authorized by the CPUC in its 2018 general rate case application

¹2021 does not include \$125 million in Advanced Metering Infrastructure (AMI) implementation between 2021 and 2025, pending California Public Utilities Commission (CPUC) approval.

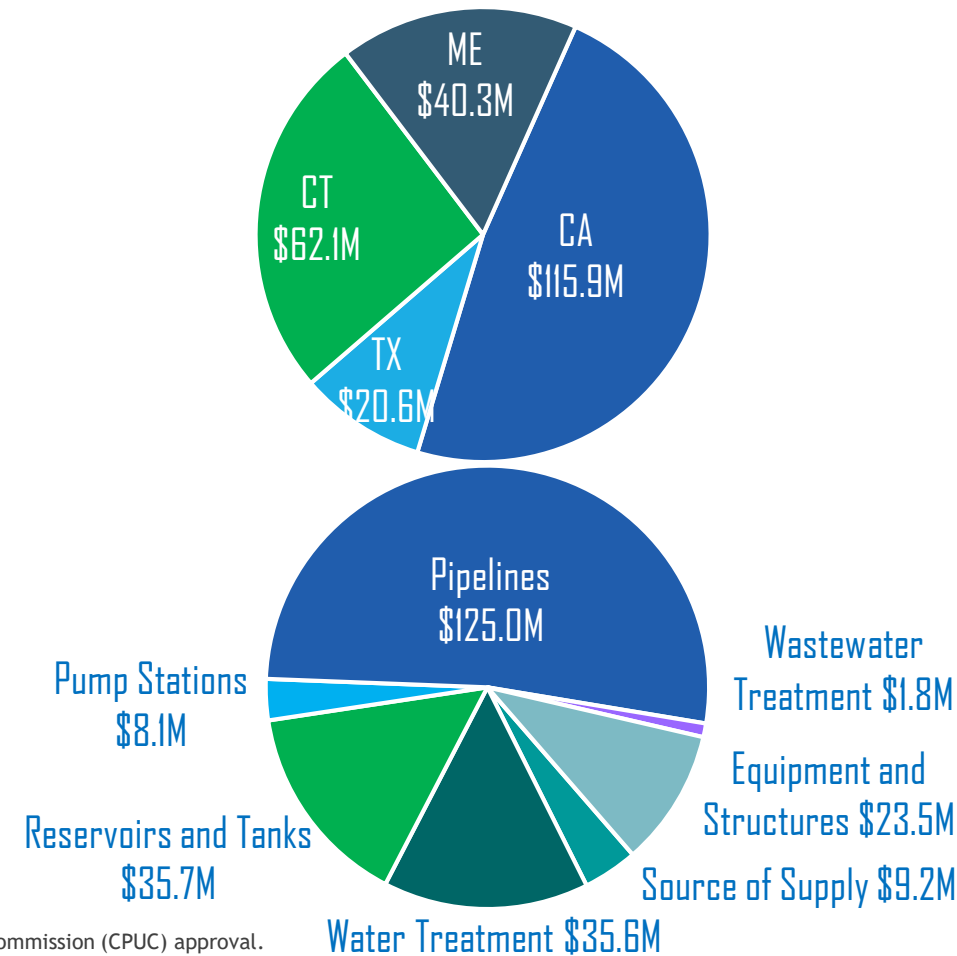
2021 and Beyond Opportunities



- Annual replacement of approximately 1% of pipes across all four states of operation, with approximately \$75 million invested annually
- Significant “generational investment” with new facility planned in Biddeford, Maine, to replace 1884 plant; \$125 million in AMI implementation between 2021 and 2025, pending CPUC approval

¹2021 does not include \$125 million in Advanced Metering Infrastructure (AMI) implementation between 2021 and 2025, pending California Public Utilities Commission (CPUC) approval.

Budgeted 2021 CapEx¹



Capital-Supportive Regulatory Environments



- Future test year
 - Balancing and memorandum accounts
 - Cost of Capital proceeding outside of general rate case
 - Water cost of capital adjustment mechanism
-



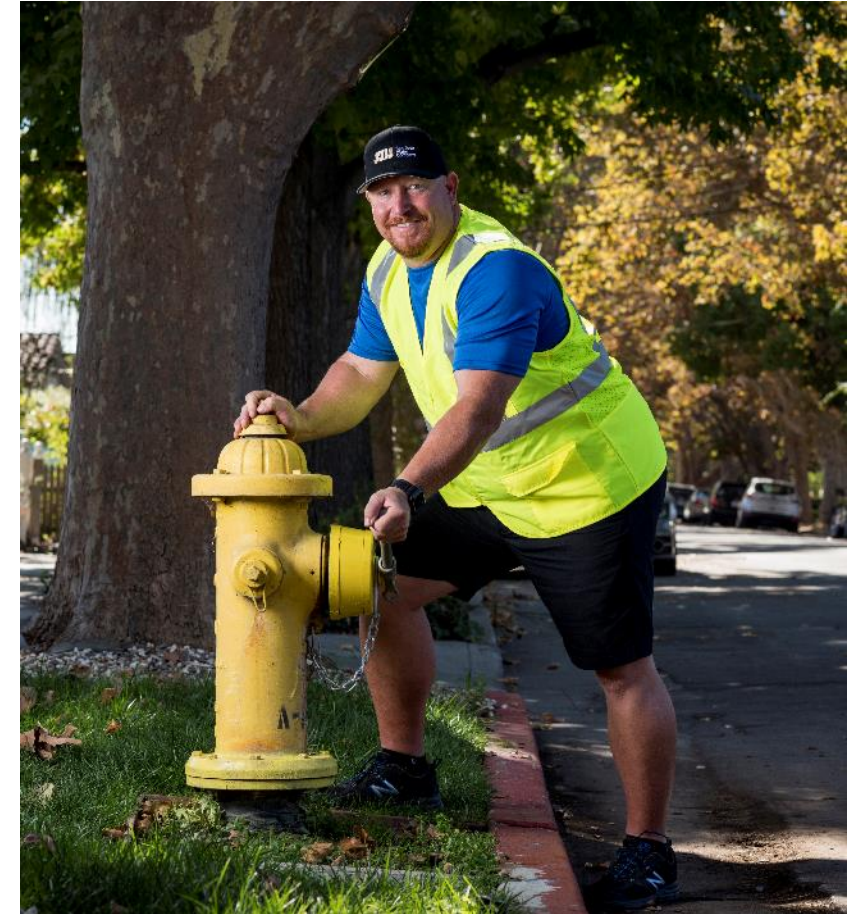
- WICA
 - Water revenue adjustment (WRA) mechanism
 - 200-day statutory time frame for rate proceedings
-



- Streamlined rate case
 - WISC
 - WRA
-



- Recovery of reasonable operating costs and a fair rate of return
- Adjustment mechanism for wholesale water cost
- Fair Value Legislation passed in 2019
- Infrastructure surcharge in development



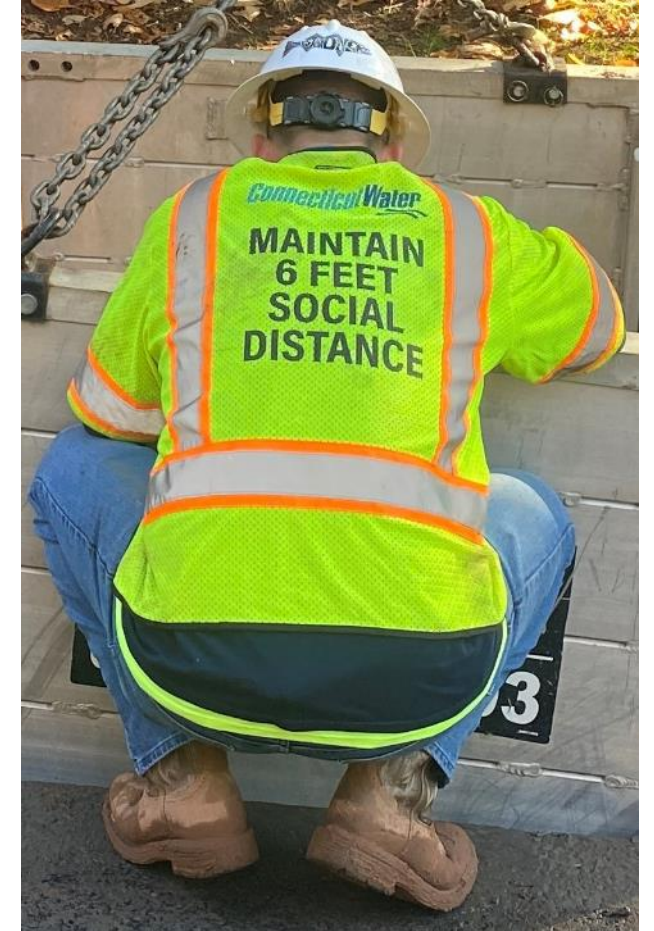
Regulatory Matters

California:

- CPUC authorized \$12 million revenue increase for 2021
- GRC filed on January 4, 2021
 - Requesting \$73 million increase in revenues over 3 years
 - Requesting authorization of \$435 million 3-year capital budget
 - New rates effective January 1, 2022
- Cost of Capital filing due May 1, 2021

Connecticut:

- PURA authorized a \$1 million WICA revenue increase effective April 2021
- Application filed with PURA on January 15, 2021, to amend rates
 - Requesting recovery of \$265 million in completed infrastructure projects not in current rates
 - Requesting \$20 million increase in annual revenues
 - Decision expected in Q3 2021



Maine:

- MPUC approved \$300,000 in WISC increases for five divisions
 - Surcharges became effective on January 1, 2021
- Rate case with Rate Smoothing Tariff filed with the MPUC on March 10, 2021, for the Biddeford-Saco Division
 - Requesting \$6.7 million increase in annual revenues over 3 years
 - Driven by \$53 million replacement of 1884 drinking water treatment plant
 - Innovative proposal to phase in 78% rate increase in equal annual installments
 - Decision expected in Q4 2021

Texas:

- PUCT approves acquisition of Clear Water Estates Water System on March 1, 2021
 - First acquisition requesting treatment under Fair Market Valuation legislation
 - Authorized rate base - average of three appraisals
 - Closing on transaction to be scheduled

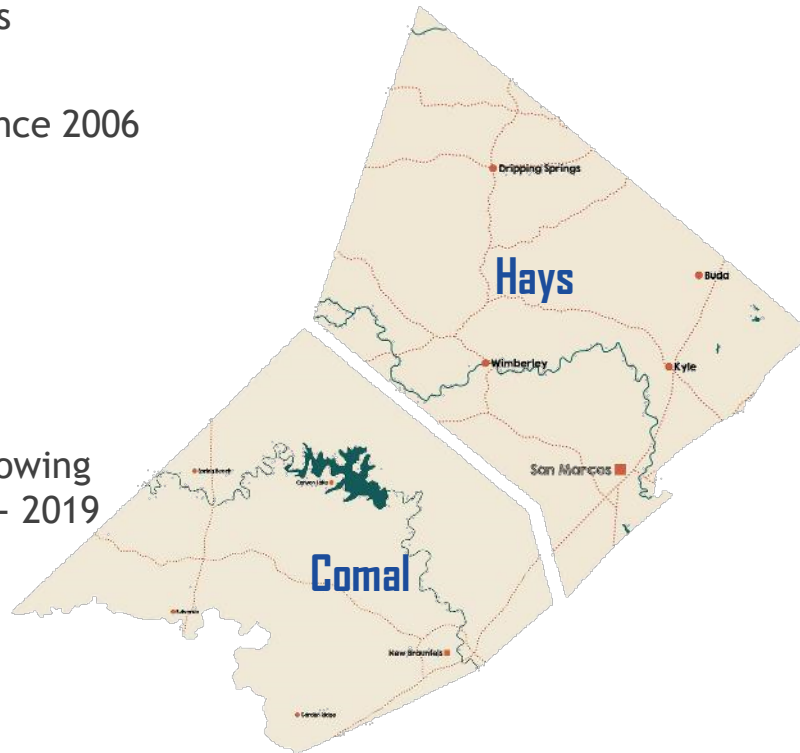


SJWTX, Inc. (Canyon Lake Water Service Co.)

- Connection growth tripled between 2006 - 2020
- 20,000 water connections
- Fair market state
- 12 tuck-in acquisitions since 2006
- Rate base: \$49.7 million¹

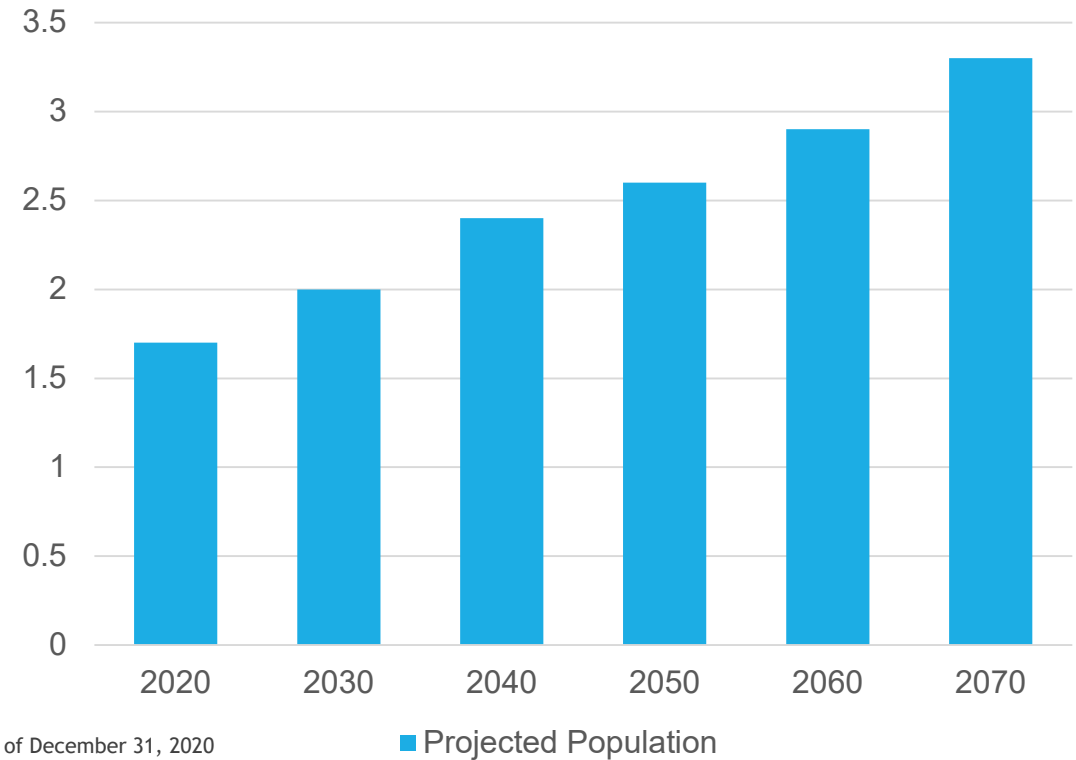
Comal and Hays Counties³

Two of the four fastest-growing counties in the U.S. 2010 - 2019



Projected Population for Counties Served by SJWTX, Inc. (Canyon Lake Water Service Co.)²

In millions



¹ An approximation of rate base, which includes Net Utility Plant not yet included in rate base pending rate case filings/outcomes as of December 31, 2020

² Source: Texas Water Development Board — 2017 State Water Plan

³ Source: U.S. Census Bureau

Acquisition Growth and Opportunities

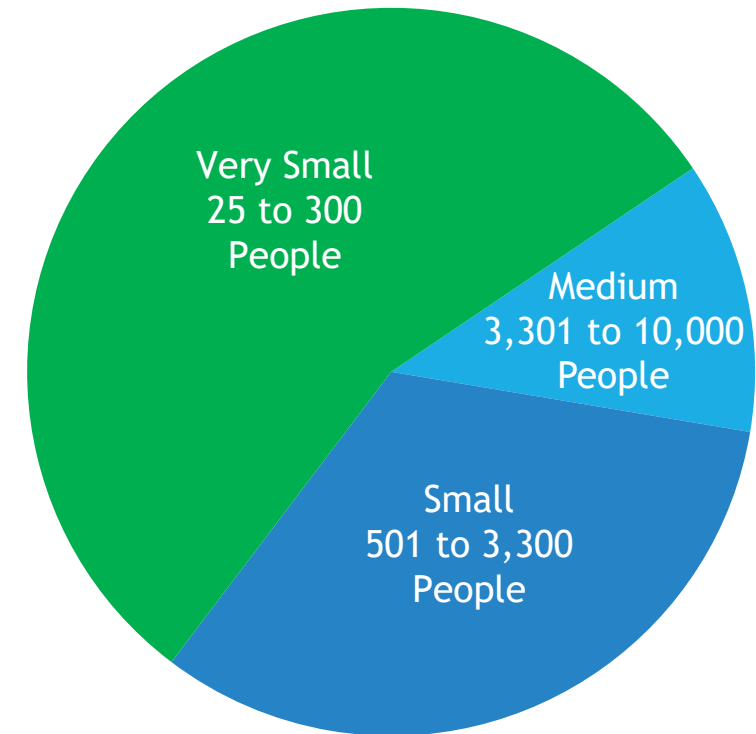
2010 – 2020 Customer Growth

- 25+ acquisitions by SJW Group and subsidiaries
- 65% customer growth ~154k new customers
- Transformational growth with CTWS in 2019

Opportunities

- More than 8,400 community water systems in CA, CT, ME, and TX
- More than 16,000 publicly owned wastewater systems nationwide

Community Water Systems
CA, CT, ME, and TX



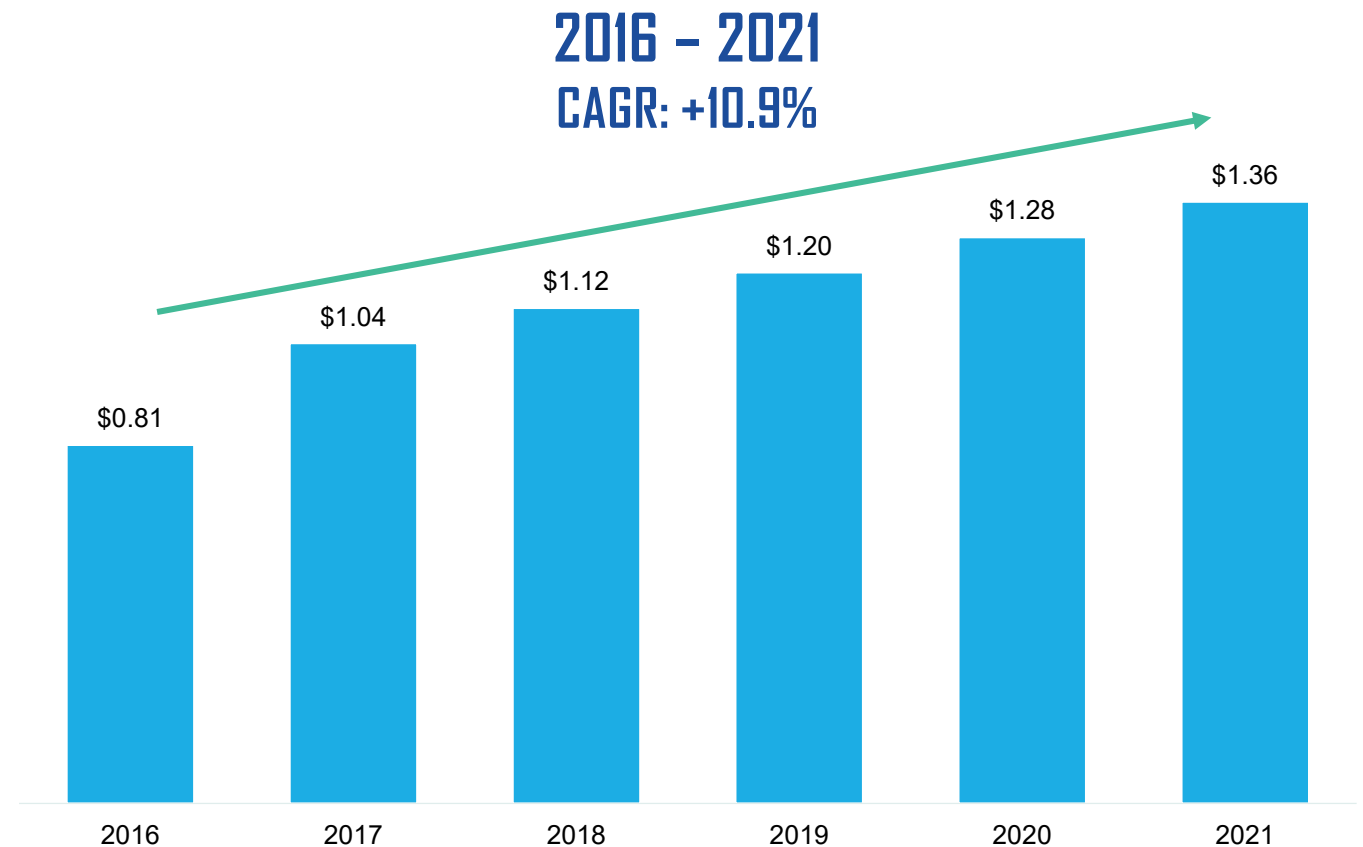
■ Medium ■ Small ■ Very Small

Sources: Company filings, EPA Drinking Water Dashboard, Cybersecurity & Infrastructure Security Agency, "Water and Wastewater Systems Sector."

Stable and Consistent Dividend Growth

Dividend

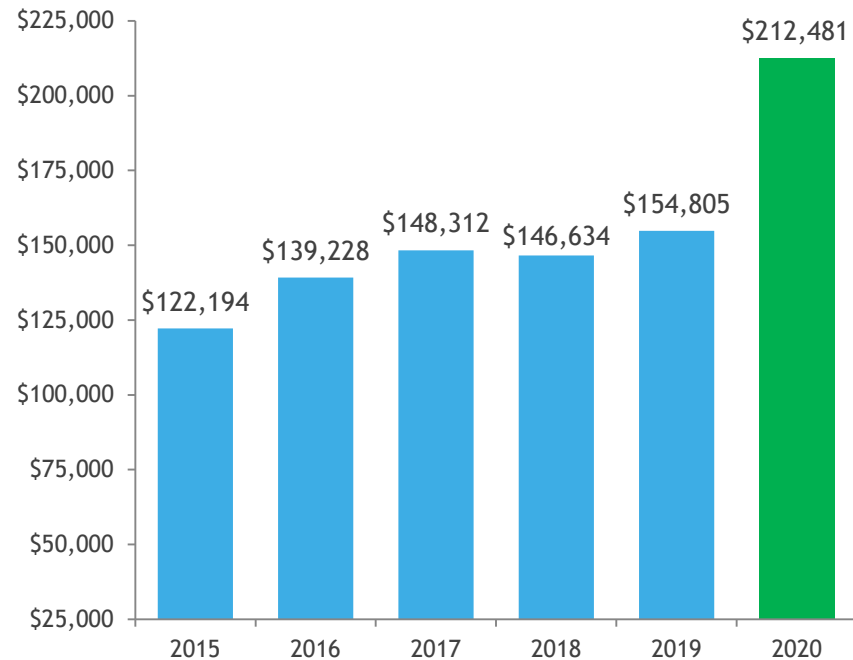
- 6.3% increase in annual dividend over 2020
- \$1.36 per share (annual)
- Continuously paid dividends for more than 77 years
- Annual dividend increase for 53 consecutive years



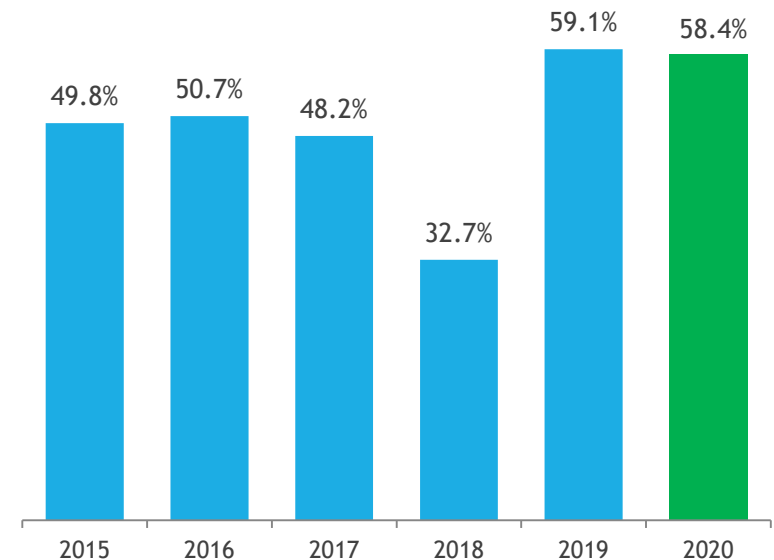
Includes \$0.17/share special dividend declared in November 2017 and paid in December 2017.

Financial Highlights: SJW Group

Adjusted EBITDA (in thousands)



Debt to Capitalization

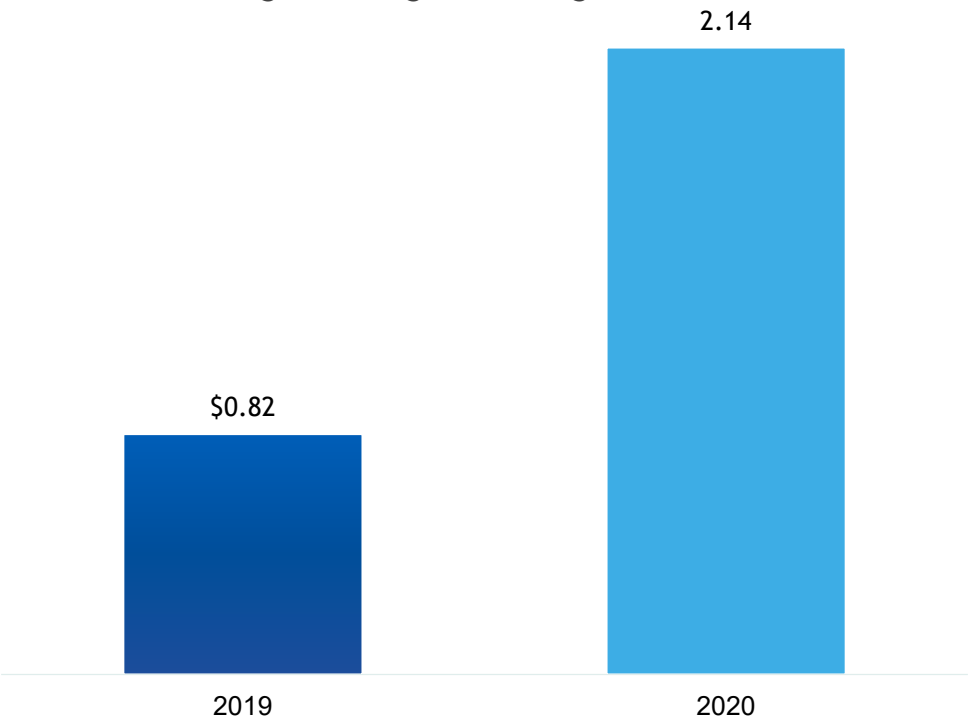


Non-GAAP Financial Information

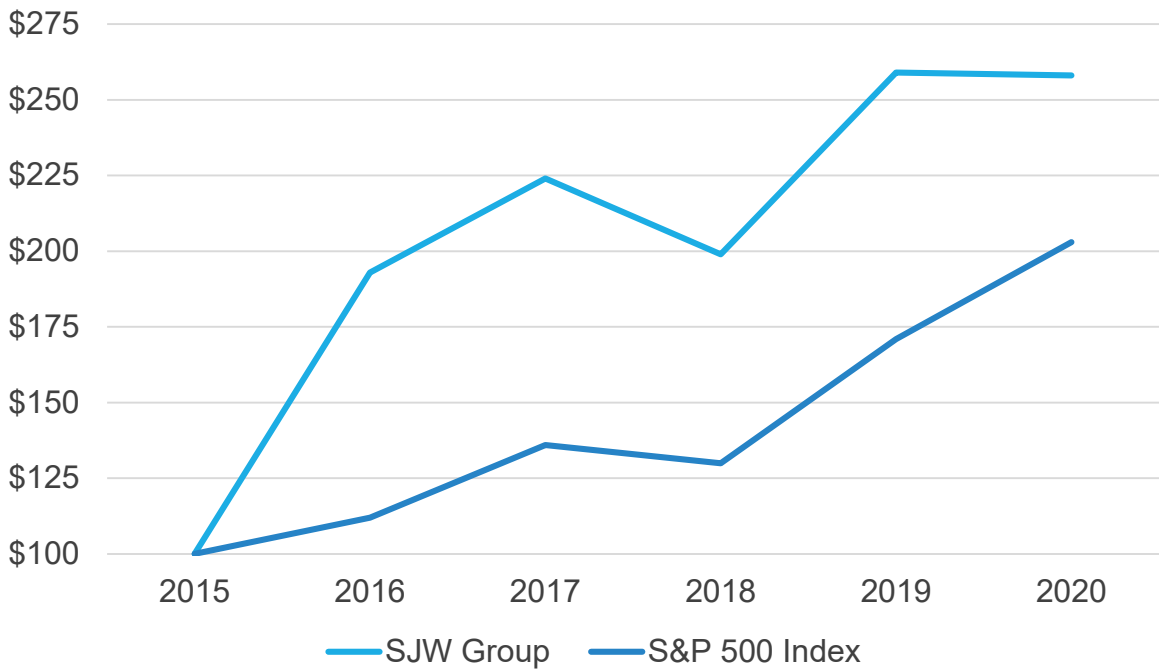
This presentation includes the non-GAAP financial measure of Adjusted EBITDA. A reconciliation of this measure to the most directly comparable GAAP measure is included in Appendix I to this presentation.

2019 - 2020 EPS

Target 5% long-term EPS growth



5-Year Total Shareholder Return¹



Source: Company filings, investor presentations.

¹ Assumes \$100 was invested in SJW Group common stock and the S&P 500 Index on December 31, 2014, and assumes reinvestment of dividends.

Commitment to Environmental, Social and Governance (ESG) Sustainability

Environmental



- Dedicated Board Sustainability Committee
- ISS environmental rating of 5 (second among utility industry peers)
- Partnering in Connecticut to preserve 480 acres of open space land no longer needed for water supply
- Employees keep our watersheds pristine by removing tons of trash: >1,800 lbs per effort

Social



- Assistance programs for customers with financial challenges
 - COVID-19 and non-COVID-19
- Supplier Diversity Program
- World-class customer satisfaction
- School water education programs
- ISS social rating of '3' (tied for first among utility peers)
- Active Environmental Health and Safety Committee
 - Construction Safety Award (CT) — 17 straight years
 - Workplace Violence Prevention Program



2020 Sustainability Report

Commitment to Environmental, Social and Governance (ESG) Sustainability

Governance



- Human Rights Policy adopted
- Employees participate in ethics, conduct and cybersecurity training
- 2020 Women on Boards “Winning” company, near gender parity SJW Group Board
- ISS Governance score is a 2
- Diversity, Equity and Inclusion Council

Corporate ESG
Performance

RATED BY
ISS ESG 

Prime

Industry Status: Infrastructure Investment Needed

The Infrastructure Replacement Era

Opportunity for well-managed, customer-centric, investor-owned water and wastewater

Water

- At least \$473 billion needs to be invested to replace aging drinking water infrastructure
- 50,000 water systems
- 85% of population served by municipalities
- About two-thirds of public spending since the 1980's has been made by state and local governments

Wastewater

- At least \$271 billion needs to be invested to replace aging wastewater infrastructure
- 14,700 wastewater systems
- 97% of population served by municipalities
- Federal funding of capital investment dropped from 63% to 9% between 1977 and 2017

Proposed budget cuts money needed for 'critical' repairs to Flint Wastewater Treatment Plant

Updated Jun 12, 2019; Posted Apr 30, 2019

Business

Over 700 cash-strapped cities halt plans to repair roads, water systems or make other key investments

The coronavirus has forced many municipalities to halt or cancel major purchases and infrastructure improvements, according to new data from the National League of Cities.

American Society of Civil Engineers 2021 Infrastructure Report Card



Framingham's water & sewer funds are \$2.5 million in the hole. Cut budgets or raise rates?

Jeannette Hinkle MetroWest Daily News
Published 5:04 p.m. ET Dec. 8, 2020 | Updated 5:05 p.m. ET Dec. 8, 2020

Sources: American Society of Civil Engineers, 2021 Infrastructure Report Card; AWWA, Buried No Longer; EPA, 2018 Drinking Water Infrastructure Needs Assessment; EPA, 2012 Clean Watersheds Needs Survey.

Long-Term Strategy

- Deliver exceptional service to families and communities
- Protect employee and public health
- Grow regulated water and wastewater utility business
- CapEx investments to serve customers and conserve natural resources
- Timely filing of infrastructure surcharges and general rate cases
- Maintain good regulatory relationships
- Add shareholder value through prudent acquisitions
- Maintain momentum of CTWS integration
- Support supplier diversity
- Conduct our business honoring the highest ethical standards
- Focus on water and wastewater service, not sales
- Be a positive force in our communities



Our Mission

“Trusted professionals, passionate about delivering life-sustaining, high-quality water and exceptional service to families and communities while protecting the environment and providing a fair return to shareholders.”

Additional Matters of Interest

- California Water Supply
- COVID-19 Response
- Texas Storm



California

- Less precipitation than normal
 - Locally and Sierra Nevada snowpack
- No short-term supply issues expected
 - Groundwater basin remains full
- Rainy season typically ends in late March
- 2021 guidance offered after Q1



COVID-19 Response for Customers and Communities

- Offered payment arrangements and assistance for customers experiencing financial challenges
- Waived certain fees and deposits
- Suspended billing-related shut-offs, consistent with state regulatory jurisdictions
- Increased local support of organizations providing food, shelter and healthcare needs



Touchless water bottle filling stations donated to local schools

Texas Severe Weather

- Power outages and customer leaks presented challenges
- Activated Emergency Operations Center
- Drew on national resources
 - Human Resources
 - Communications
 - Environmental Health and Safety
 - GIS
- Potable water stations and more than 90,000 bottles of water provided



Appendix I

Adjusted EBITDA

Reconciliation of Non-GAAP Financial Measures							
		For the Year Ended December 31 (in thousands)					
		2020	2019	2018	2017	2016	2015
Net Income		\$ 61,515	\$ 23,403	\$ 38,767	\$ 59,204	\$ 52,839	\$ 37,882
Add (Subtract):							
	Income attributable to the noncontrolling interest	\$ -	\$ 224	\$ -	\$ 1,896	\$ -	\$ -
	Income Tax Expense	\$ 8,380	\$ 8,454	\$ 10,065	\$ 35,393	\$ 33,542	\$ 23,272
	Interest Expense	\$ 54,255	\$ 31,796	\$ 24,332	\$ 22,929	\$ 21,838	\$ 22,186
	Interest Income	\$ -	\$ (6,536)	\$ (155)	\$ -	\$ -	\$ -
	Depreciation and Amortization	\$ 89,279	\$ 65,592	\$ 54,601	\$ 48,292	\$ 44,625	\$ 40,740
EBITDA		\$ 213,429	\$ 122,933	\$ 127,610	\$ 167,714	\$ 152,844	\$ 124,080
	Write-off of Regulatory Asset Account	\$ -	\$ 9,386	\$ -	\$ -	\$ -	\$ -
	CTWS Merger Related Expenses	\$ -	\$ 15,768	\$ 18,610	\$ -	\$ -	\$ -
	Post CTWS Merger Integration Costs	\$ -	\$ 4,860	\$ -	\$ -	\$ -	\$ -
	Merger Related Customer Credits	\$ -	\$ 2,767	\$ -	\$ -	\$ -	\$ -
	Loss (Gain) on Sale of Equity Investment	\$ -	\$ -	\$ 423	\$ -	\$ (3,197)	\$ -
	Loss (Gain) on Sale of Utility property	\$ -	\$ 20	\$ (9)	\$ (12,499)	\$ -	\$ -
	Gain on Sale of Real Estate Investments	\$ (948)	\$ (929)	\$ -	\$ (6,903)	\$ (10,419)	\$ (1,886)
Adjusted EBITDA		\$ 212,481	\$ 154,805	\$ 146,634	\$ 148,312	\$ 139,228	\$ 122,194