

2025 Financial Results & 5-Year Plan Update Presentation

H₂O America



On Today's Call



Andrew F. Walters
Chief Executive Officer



Ann P. Kelly
Chief Financial Officer and
Treasurer



Bruce A. Hauk
President and
Chief Operating Officer

Forward-Looking Statements

Safe Harbor

This presentation contains forward-looking statements within the meaning of the federal securities laws relating to future events and future results of H2O America and its subsidiaries that are based on current expectations, estimates, forecasts, and projections about H2O America and its subsidiaries and the industries in which H2O America and its subsidiaries operate and the beliefs and assumptions of the management of H2O America. Some of these forward-looking statements can be identified by the use of forward-looking words such as “believes,” “expects,” “estimates,” “anticipates,” “intends,” “seeks,” “plans,” “projects,” “may,” “should,” “will,” “approximately,” “strategy,” 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. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements.

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 risks associated with the proposed Quadvest and Cibolo Valley transactions, including, the risk of the proposed transactions not closing on the anticipated timeline, or at all, the ability to obtain required regulatory approvals, and the ability to successfully integrate Quadvest’s and Cibolo Valley’s operations and realize the projected financial and other benefits of the proposed transactions; (2) the effect of water, utility, environmental and other governmental policies and regulations, including regulatory actions concerning rates, authorized return on equity, authorized capital structures, capital expenditures, PFAS and other decisions; (3) changes in demand for water and other services; (4) unanticipated weather conditions and changes in seasonality including those affecting water supply and customer usage; (5) the effect of the impact of climate change; (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, legislative, business and financial market conditions; and (12) the ability to obtain financing on favorable terms, or at all (including the financing for the proposed transactions with Quadvest in a timely manner), 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. The risks, uncertainties and other factors may cause the actual results, performance or achievements of H2O America to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Results for a quarter are not indicative of results for a full year due to seasonality and other factors. In addition, actual results, performance or achievements 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 future performance, and speak only as of the date made, and H2O America undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Welcome



Andrew Walters
Chief Executive Officer

A Successful 2025

- Creating Long-Term Shareholder Value
 - \$2.92 reported diluted EPS in 2025
 - \$2.99 adjusted diluted EPS (non-GAAP)¹ in 2025
 - Near top end of upwardly narrowed \$2.95-3.00 guidance
- Announced Transformative Quadvest Acquisition
- Achieved Constructive Regulatory & Legislative Outcomes in All States
- Executed on a Record Amount of Capital Expenditures (CapEx)
 - 2025 capex of \$501² million; 41% increase over our 2024 capex
- 4.8% Dividend Increase Announced Jan. 2026



Thank You & Welcome

Eric Thornburg

- Retired as non-executive chair of board effective January 31, 2026
- Retired as CEO effective June 30, 2025



Nicholas Whitley

- Vice President of Business Development
- 20+ years of experience in corporate development, mergers and acquisitions, and infrastructure investing; most recently with NW Natural Holdings (NWN)
- Committed to culture, service, and pursuing disciplined strategic growth opportunities



Financial Update



Ann Kelly
Chief Financial Officer
and Treasurer

Financial Highlights

\$2.92 GAAP/\$2.99 Adjusted (Non-GAAP)

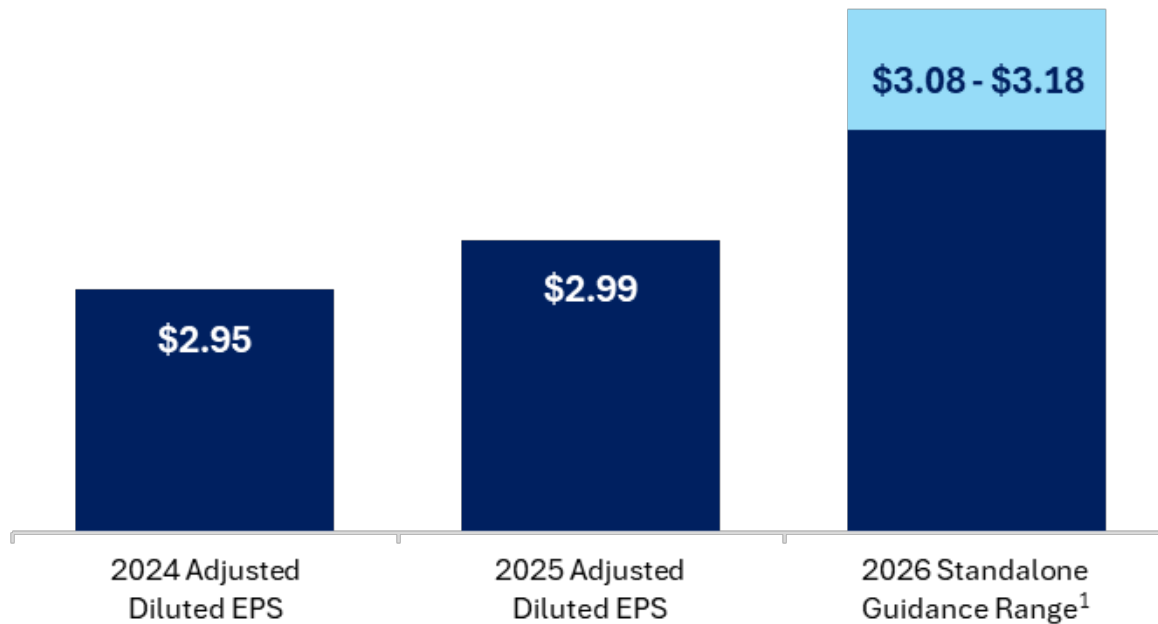
Full year 2025 adjusted diluted EPS near top of upwardly revised \$2.95-3.00 guidance

\$2.7B 5-year CapEx Plan²

31% increase over previous plan

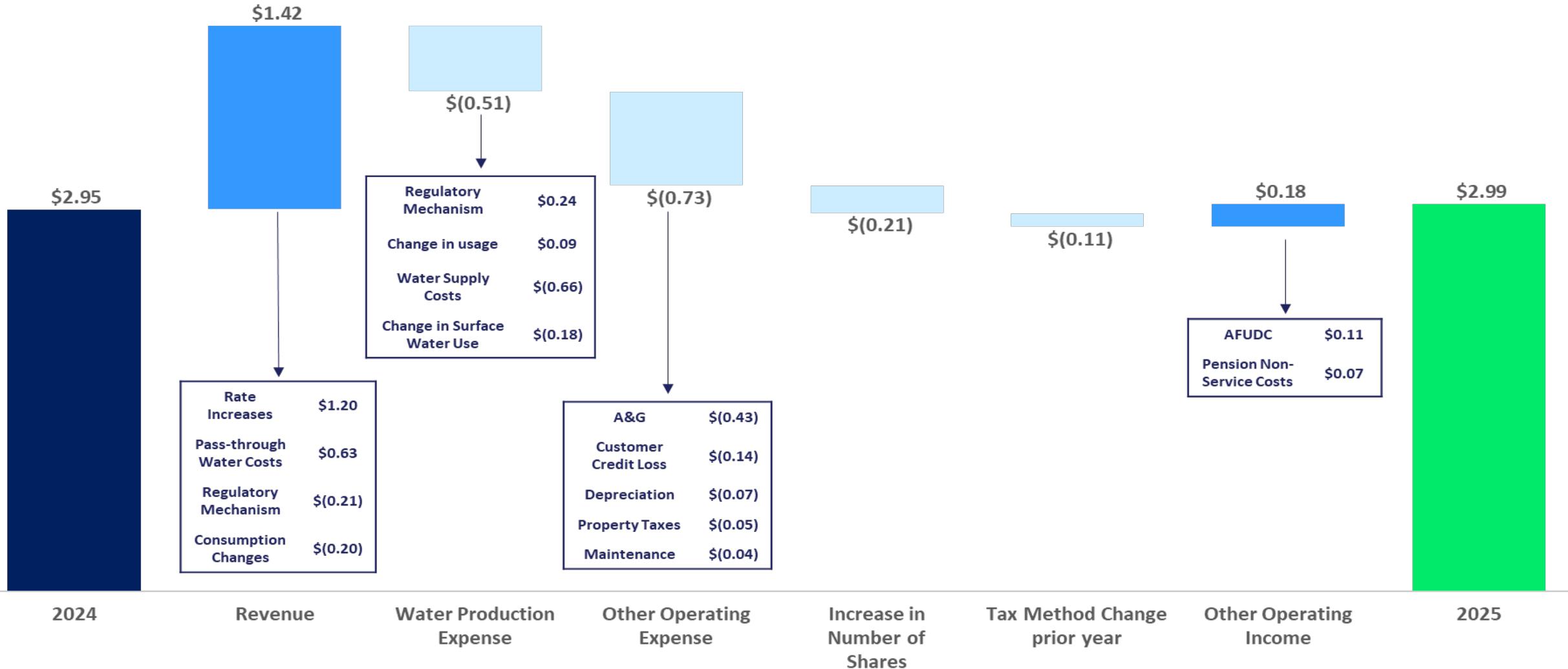
~13% rate base CAGR 2026 - 2030
To renew and replace aging infrastructure, improve reliability and service quality, and comply with environmental regulations

Increasing Non-linear Long-term
EPS Growth Rate to 6-8% (off 2025A)
8%+ EPS CAGR expected for the 2026-30 period



¹H2O America's earnings guidance is subject to numerous risks and uncertainties, including, without limitation, those factors described in the "Forward-Looking Statements" on slide 3 and the "Risk Factors" section of the company's annual and quarterly reports filed with the Securities and Exchange Commission (SEC). Because we are not able to predict certain potentially material items affecting diluted EPS on a GAAP basis, principally gains or losses on non-utility real estate transactions and expenses for merger and acquisition activities, we are unable to reconcile the fiscal year 2026 adjusted diluted earnings per share, a non-GAAP measure, to the diluted earnings per share, the most directly comparable measure in reliance of the "unreasonable efforts" exception set forth in the SEC rules.

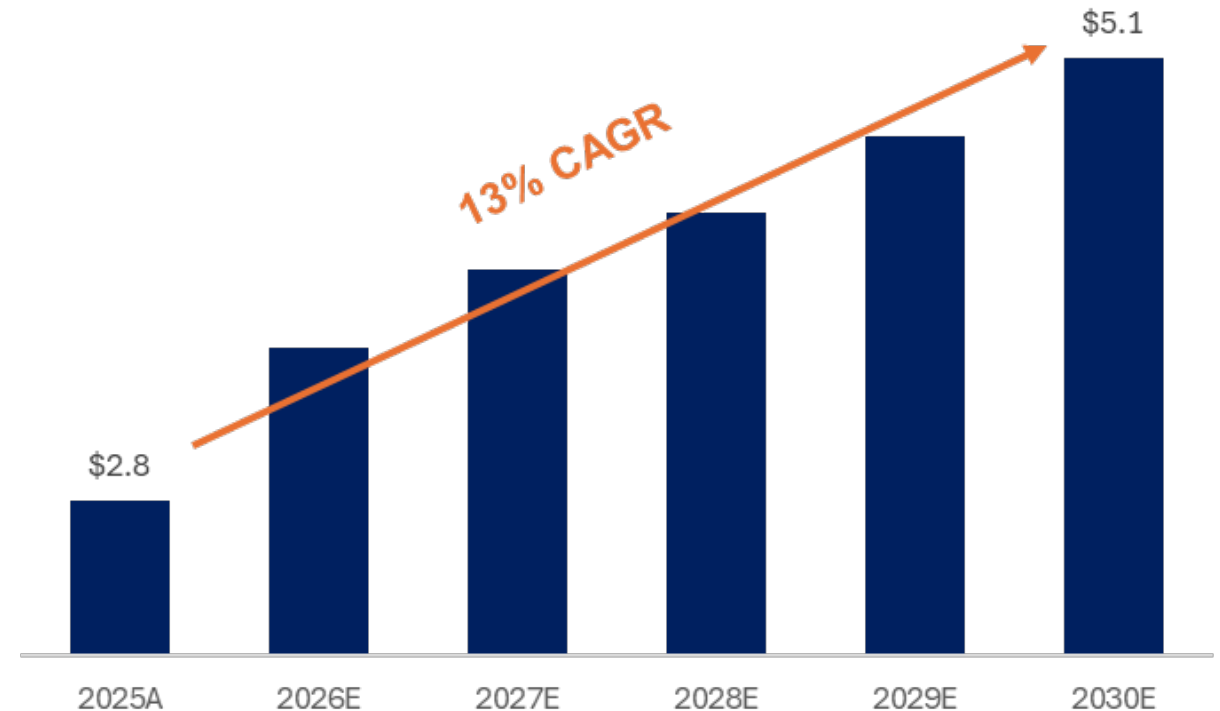
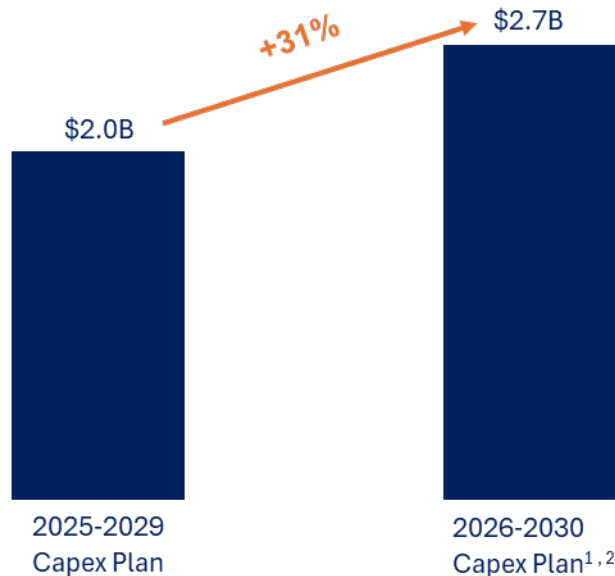
2025 Adjusted Diluted EPS Bridge*



31% Increase in 5-year CapEx Plan — Drives Attractive Rate Base Growth

31% increase driven by higher pipeline replacement work and PFAS compliance spend as well as the inclusion of planned Quadvest capex

\$2.7B capex budget plus the addition of Quadvest drives a projected 13% rate base CAGR

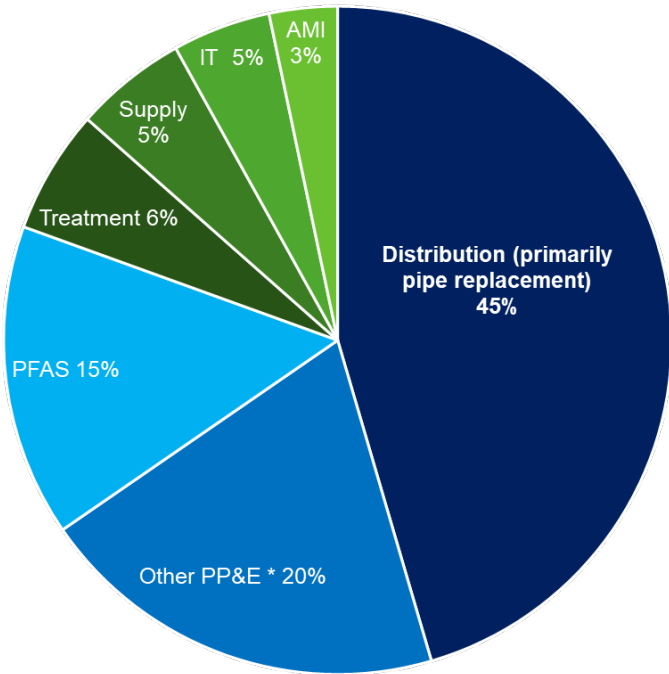


¹Includes expenditures for cloud-based systems recorded as deferred assets

²Includes planned capital expenditures for the pending Quadvest system acquisition (whereas the 2025-29 plan did not)

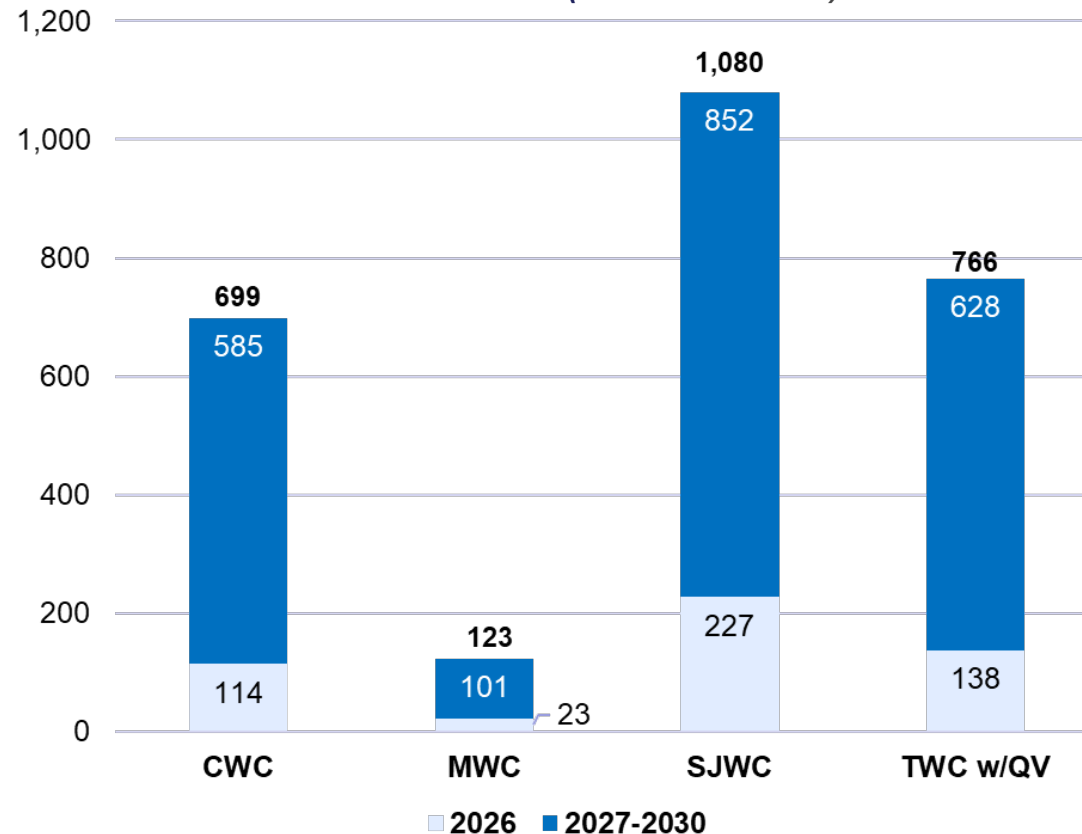
Breaking Down the 2026-30 CapEx Plan

Nearly half of 2026-30 budget is distribution system investments

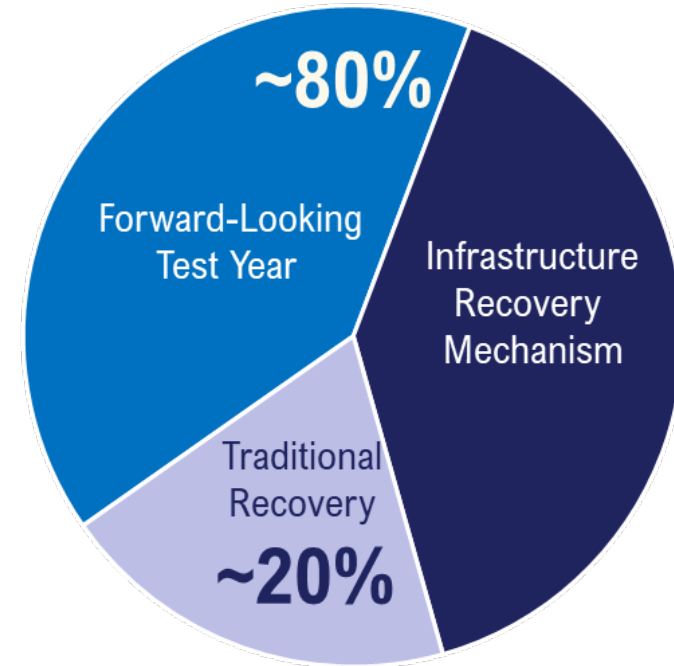


* Other PP&E includes pump station and equipment, reservoir and tanks & other equipment

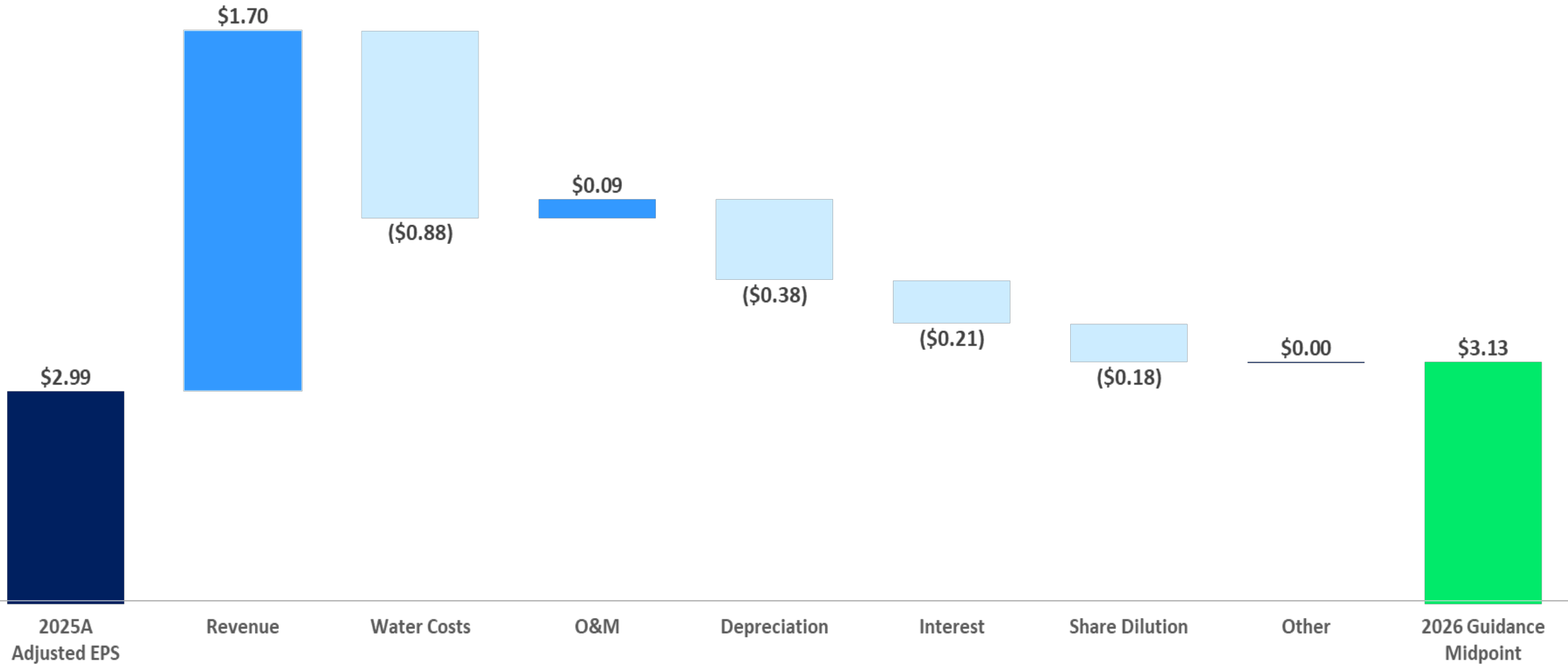
Planned CapEx by State 2026 - 2030¹ (\$ in millions)



Roughly 80% of 2026-30 budget qualify for timely regulatory recovery²

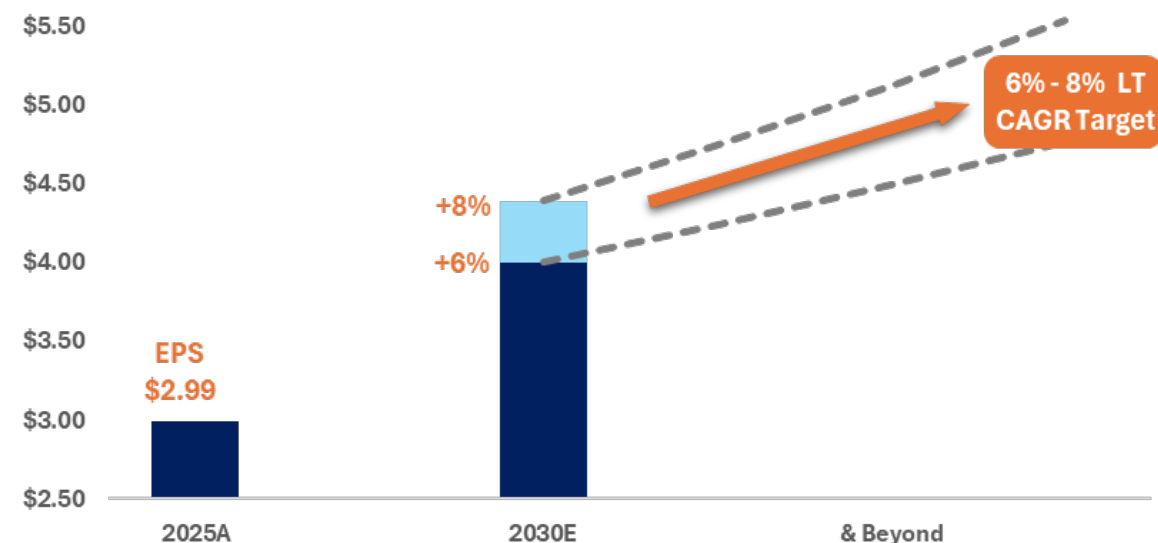


Adjusted Diluted EPS Bridge from 2025A to 2026 Guidance Midpoint*



Long-term EPS CAGR Guidance¹ Increased to 6-8%

- Non-linear long-term 6-8% EPS growth rate
 - Anchored off 2025A adjusted diluted EPS of \$2.99
 - Reflects sustainable organic growth beyond 2030 supported by decades of elevated investment needs
 - Previously, 5-7% off 2022 diluted EPS of \$2.43, with expectations to be in the top half of the range
- 2026E & 2027E EPS including Quadvest
 - Expect to fall below the ranges implied by our 6-8% CAGR
- Overall 2026-30E EPS CAGR off '25A
 - Expect to be at or above the top of 6-8% range driven by:
 - Updated 5-year capex budget of \$2.7 billion²
 - Anticipated Quadvest accretion beginning in 2028
 - Achieving fair and timely regulatory outcomes



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² Includes expenditures for cloud based systems recorded as deferred asset.

Financing & Credit Metric Update

- **Liquidity:** \$370 million in bank lines of credit; \$283 million available as of 12/31/25
- **Equity Issuances**
 - Raised \$123 million in gross equity proceeds through our ATM program in 2025
 - In 2026, we expect to issue the following equity or equity-like products:
 - \$350-450 million for funding of Quadvest acquisition
 - \$100-125 million for normal capex needs plus Cibolo Valley deal
- **Debt Issuances:**
 - We expect to issue \$100-200M of HoldCo & OpCo level debt for the Quadvest deal
- **FFO/Debt:**
 - 11.2% in 2025; above S&P downgrade threshold of 11%
 - 2026 financing plan designed to protect our 'A' category rating
 - Expect continued deleveraging throughout our 5-year plan

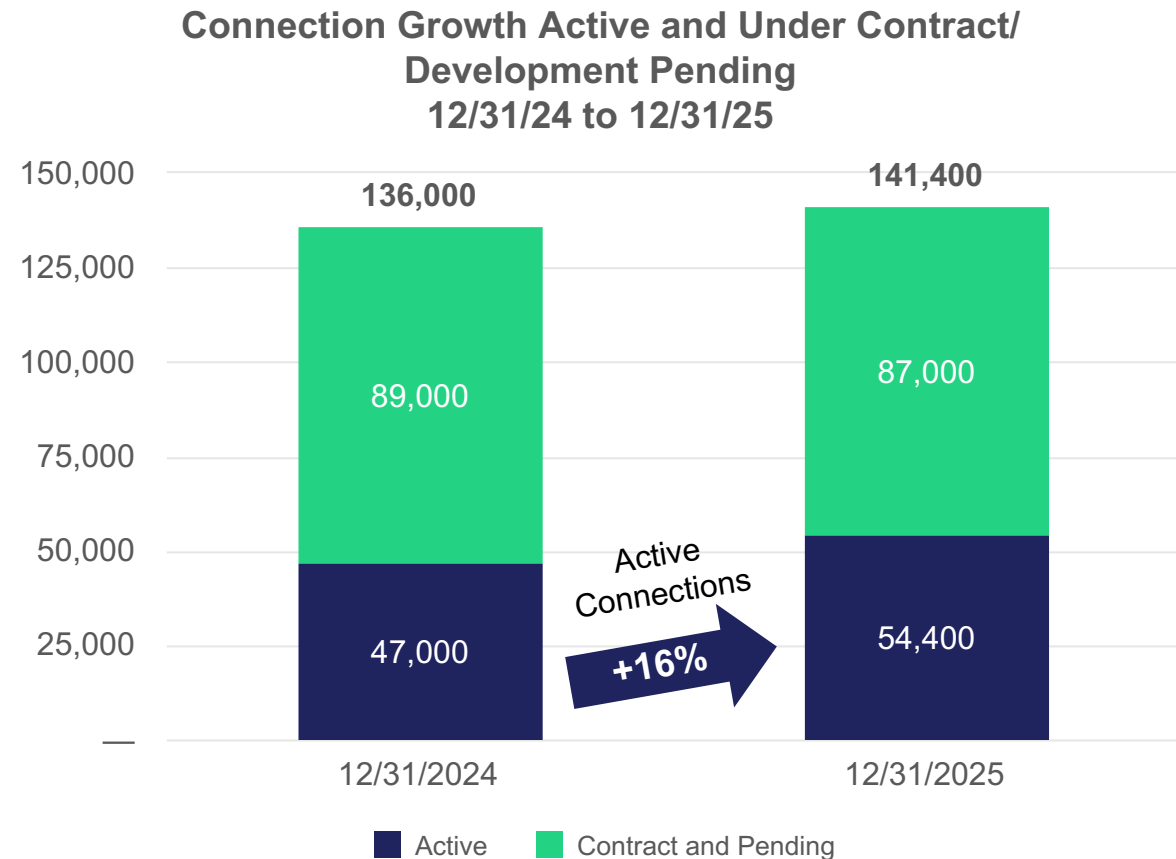
Regulatory and Acquisition Updates



Bruce A. Hauk
President and COO

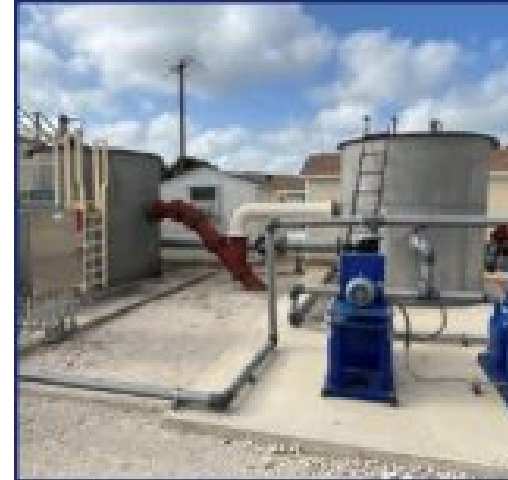
Progress on Quadvest

- Quadvest L.P.'s Fair Market Value (FMV) determination received late Dec. '25
 - In accordance with Texas' FMV statute, the purchase price of \$483.6M will serve as the ratemaking rate base
- Sale-Transfer-Merger (STM) application filed with the Public Utilities Commission of Texas in Jan. '26
 - Requests approval of the acquisition of Quadvest L.P.'s assets and certification of the value of the rate base
- Closing expected mid-2026
- Robust active connection growth & pipeline



Progress on Cibolo Valley

- 1,500 active wastewater connections
- More than 250 connections under contract pending development
- Using FMV; STM application expected to be filed around April 2026
- Closing expected Q4'26



Wastewater Treatment Facility

- Uses activated sludge process with tertiary treatment

Collection System

- Collection system with all associated easements

Three Lift Stations

- Strategically located to allow nearby properties to tie into the system

Effluent Pumping Station

- Allows easy collection of reusable water

Regulatory & Legislative Updates

San Jose Water:

- 3rd 1-year deferral request of Cost of Capital approved on 11/18/25
- 2nd advice letter for AMI project approved; \$6.8M increase effective 7/1/25
- 2025-27 GRC's 2nd year step rate increase of \$17.2M effective 1/1/26
 - SJWC's 2028-30 GRC will be filed early January 2027

Connecticut Water:

- Law passed in '25 authorizing Water Quality and Treatment Adjustment (WQTA) mechanism — nation's first mechanism to recover capex needed to treat PFAS and emerging contaminants
 - Initial WQTA filing made 1/22/26; requests \$0.6M effective 4/1/26
- \$3.1M WICA revenue increase approved as filed, effective 10/1/25
 - New WICA filing made 1/26/26; requests \$2.7M effective 4/1/26
- CWC plans to file GRC in 2026; consistent with ~3-year cadence



Deferred Cost of Capital filing maintains 9.81% ROE through 2027, absent WCCM adjustments



WQTA allows for annual recovery of total capital invested; not limited to completed projects
7.5% annual cap
15% cap between GRCs

Regulatory & Legislative Updates

Texas Water:

- Regulatory lag reducing laws passed in '25:
 - Allows future/hybrid test years to be used in GRCs
 - Timeline to process SIC applications reduced to 60 days
- \$5.1M SIC application filed 10/6/25; decision expected mid-2026
- Quadvest and Cibolo Valley FMV deals pending
- TWC plans to file combined TX GRC in early 2027 to recover significant water supply investments and recognize Quadvest's rate base

Maine Water:

- Stipulation in rate unification application approved Jan. '26; includes affordability rate
 - MWC plans to file a consolidated GRC near the end of March



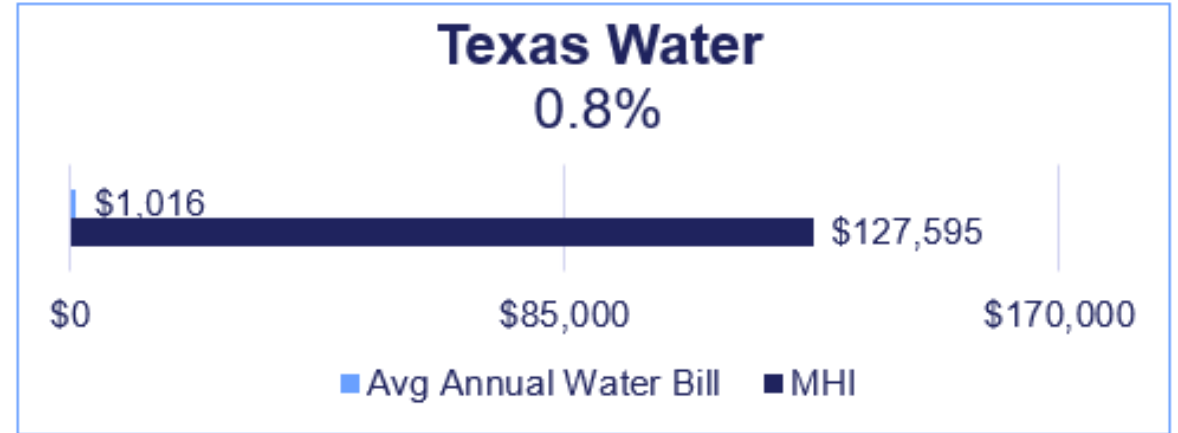
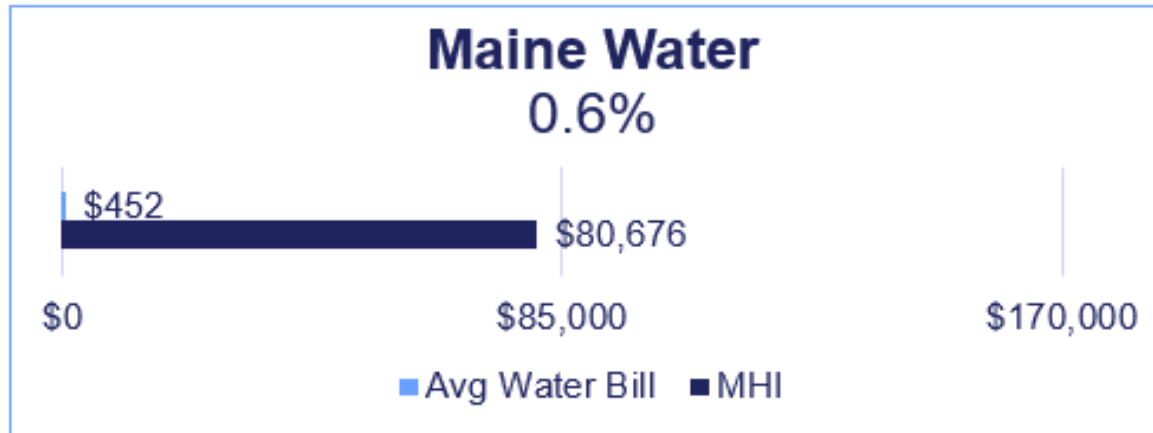
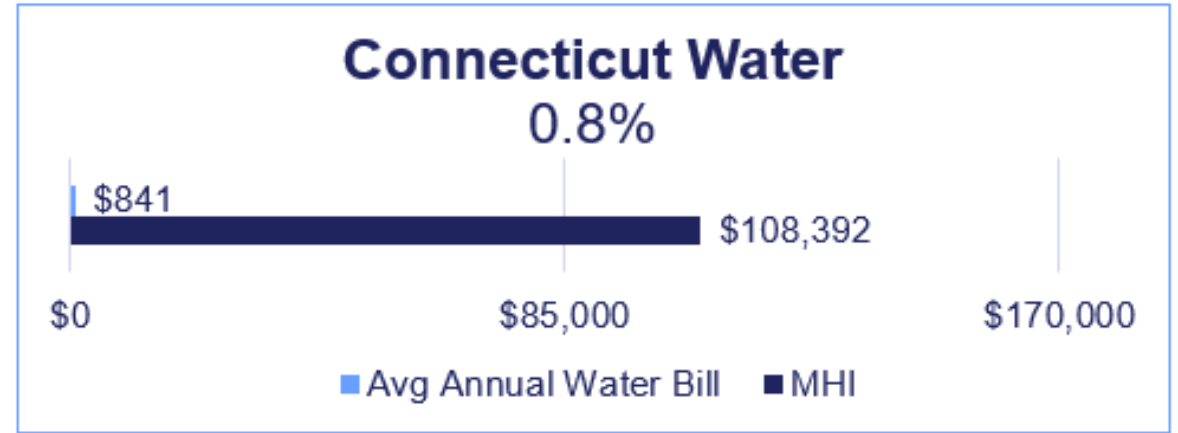
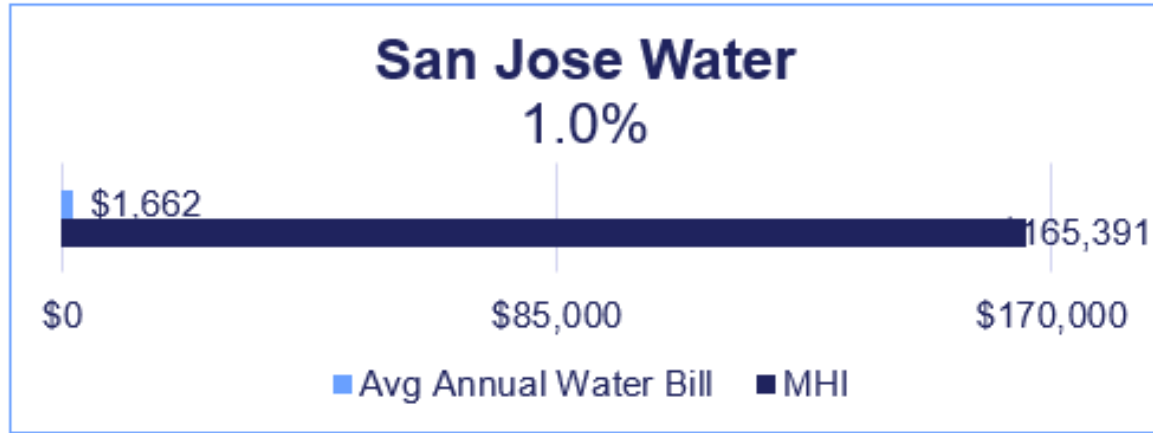
Expect smaller gap between TWC's allowed ROE and earned ROE following planned GRC



Rate unification stipulation allows the consolidation of 10 divisions into a single division and creates a needs-based financial assistance rate program

Customer Bill Affordability

Customer bills as a percentage of median household income¹



Welcome

California CPUC Updates:

- Congratulations President John Reynolds
- Welcome Commissioner Harada

Texas PUCT Updates:

- Welcome Commissioner Johnson

We protect
what's
precious.

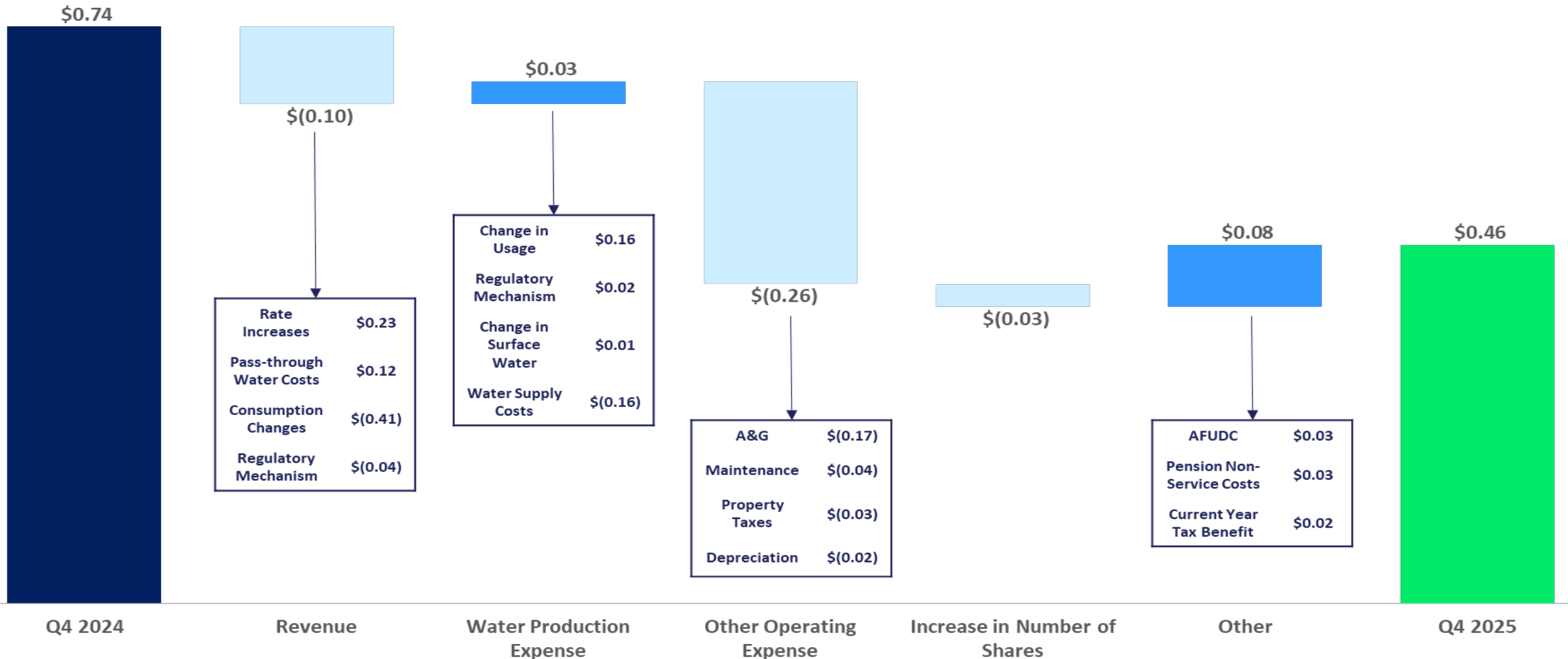
H₂O America



Appendix

The logo for H2O America, featuring the text "H2O America" in a white, sans-serif font. The "H2O" is stylized with a subscript "2" and a dot over the "O".

Q4'25 Adjusted Diluted EPS Decreased by 38% Compared to Q4'24*



Quadvest Acquisition Overview

Transaction Brings Growth, Relationships, and Reliable Service

- Provides water and sewer service in Southeast Texas for nearly 50 years through two operating entities, Quadvest LP and Quadvest Wholesale LLC
- Over 54,000 active connections and over 87,000 connections under contract and pending development¹.

Quadvest LP

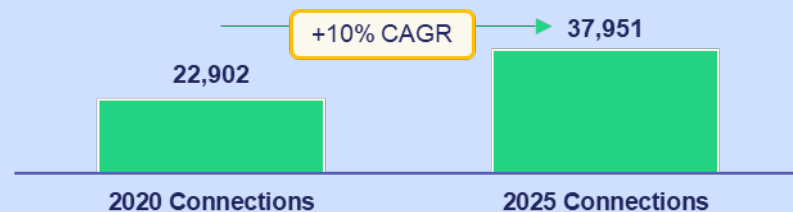
(Regulated)

Regulated water and wastewater utility;
purchase price of \$483.6mm

64 subdivisions serving ~38,000 connections and
pipeline of ~61,500 connections under contract

Excellent relationships with leading developers in Houston region that will
continue to drive future growth

10% CAGR of connections over last five years supports projected
double-digit customer growth rate over next five years



Quadvest Wholesale

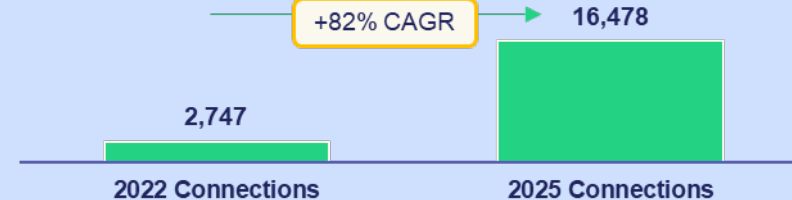
(Utility-like)

Water and wastewater infrastructure services for municipal utilities
and developers; purchase price of \$56.4mm

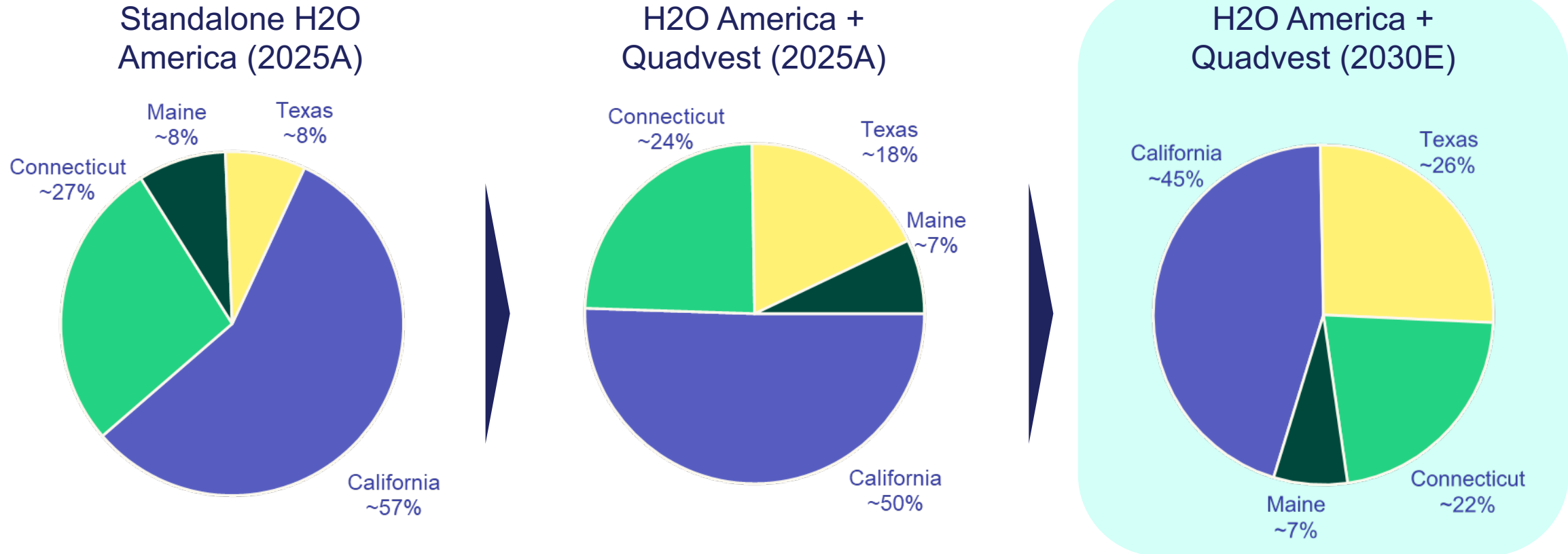
5 subdivisions serving ~16,500 connections and ~25,500 under contract
and pending future development

Constructs, operates and maintains water and wastewater facilities under
30+-year contracts with Municipal Utility Districts

Growth fueled by buildout of master planned communities by multiple
home builders in one of America's fastest growing regions



Transaction Strengthens H2O America's Position by Customer Connections Nationwide¹



Acquisition creates a more balanced portfolio of water utilities across California, Texas, Connecticut, and Maine

Transaction Enhances Strategic Profile

Enhances Scale	<ul style="list-style-type: none">▪ Creates second largest regulated private Texas water and wastewater utility▪ Strengthens H2O's objective to strategically diversify the business, extend exposure to fast-growing regions, and enhance service nationwide
Increases Exposure to Constructive Texas Market	<ul style="list-style-type: none">▪ Strong Texas economic development and growth will continue to support long-term growth for H2O America▪ Strong relationships with housing developers and customers in Texas present significant capital investment opportunity to continue robust track-record of growth and on-going delivery of reliable and valuable water and wastewater services▪ Constructive regulatory framework and associated mechanisms, incl. Fair Market Value and infrastructure recovery
Customer Focus	<ul style="list-style-type: none">▪ Well positioned to increase value for customers with improved operational excellence, customer service, and infrastructure investment, while maintaining commitment to local expertise▪ Enhance reliability, customer value, and customer service through shared technology and operational best practices
Continued Commitment to Communities and Employees	<ul style="list-style-type: none">▪ Expanding Texas investments with over \$750M planned across TWC and Quadvest over the next 5 years, strengthening our local roots and capacity to meet the state's rapid growth.▪ Company to retain a passionate, dedicated team of locally-based employees and leadership▪ Shared foundation of values and community engagement expressed through charitable giving, employee volunteerism, and environmental stewardship

Transaction and Financing Details

- Meaningfully accretive to EPS growth targets
 - Dilutive to EPS after closing but accretive to EPS and credit metrics by 2028
- Transaction will be structured as a debt-free transaction, with purchase price of \$540mm subject to customary closing adjustments
- Transaction will be financed by combination of privately placed debt and equity from H2O America that allows the company to maintain its strong balance sheet and credit metrics, including:
 - \$350 – 450mm of H2O common equity & equity-like products
 - \$100 – 200mm of H2O and operating company debt
 - Further recapitalization expected following our first rate case
- Closing expected mid-2026, subject to expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and approval from the Public Utilities Commission of Texas

PFAS Update

- Support U.S. EPA's standards for PFAS in drinking water
- Will comply with the new regulations within the time frame specified by the EPA
- Approximate \$400 million CapEx estimate for treatment
- Party to class action settlements with PFAS manufacturers
 - Have received \$25.1 million in legal settlement proceeds in 2025 on behalf of SJWC (\$17.0M), CWC (\$7.6M) & MWC (\$0.5M) customers



Key Statistics by State

	California	Connecticut	Maine ¹	Texas
Capital Structure and Authorized ROE				
Authorized capital structure (debt/equity)	45% / 55%	47% / 53%	49% / 51%	42% / 58% ²
Authorized ROE	9.81% ³	9.30%	9.50%	10.88% ²
Rate Base				
Authorized rate base (in millions)	\$1,308	\$784	\$149	\$96 ²
Estimated rate base at year-end (in millions) ⁴	\$1,461	\$878	\$204	\$212
Connections				
Water connections	232,000	109,000	34,000	30,000
Wastewater connections	0	3,000	0	1,000
Total Connections	232,000	112,000	34,000	31,000

¹ The authorized capital structure and return on equity shown are those of the largest division of MWC, the Biddeford and Saco division. This return on equity and capital structure will be used for any future Water Infrastructure Surcharge ("WISC") calculations for all divisions until the Maine Public Utilities Commission ("MPUC") has authorized or approved a different return on equity structure in a different proceeding.

² Estimated by management.

³ The approved Water Cost of Capital Mechanism ("WCCM")-adjusted return on equity is 10.01% less a 20-basis point reduction due to the reimplementation of the Water Conservation Memorandum Account ("WCMA").

⁴ An approximation of rate base that includes net utility plant not yet included in rate base pending rate case filings and outcomes.

Key Regulatory Filings

State	Docket #	Type*	Filing Date	Order Date	Status	Annual Revenue Requested	Annual Revenue Approved	Comments
CA	24-01-001	GRC	1/2/2024	12/19/2024	Alternate Proposed Decision approved	\$103M	\$53.1M	Step increases 3.91% in 2025, 2.55% in 2026 & 2.98% in 2027 and \$450M 3-year capital budget
CA	Advice Letter 610	AMI Rate Base Offset	5/23/2024	6/21/2024	Approved	\$768K	\$768K	Effective 07/01/24
CA	Advice Letter 613	GRC Decision 24-12-077	12/20/2024	1/10/2025	Effective 1/1/25	\$21.3M	\$21.3M	2025 step rate increase
CA	Advice Letter 617	AMI Rate Base Offset	5/28/2025	6/27/2025	Approved	\$6.8M	\$6.8M	Effective 07/01/25
CA	Advice Letter 618	Establish Water Litigation Memorandum Account	6/24/2025	7/21/2025	Effective 6/24/25			Account to receive PFAS settlement funds
CA	Advice Letter 619	Establish Property Easement Memorandum Account	9/8/2025		Pending			
CA	Advice Letter 620	Re-establish Groundwater Regulation Legal Expense Memo Account	10/15/2025	11/14/2025	Approved			
CA	21-05-001	Cost of Capital Extension Request	11/10/2025	11/18/2025	Approved			Extends current CoC return parameters through 12/31/2027
CA	Advice Letter 621/621A	GRC Decision 24-12-077	11/20/2025	1/10/2025	Effective 1/1/26	\$17.2M	\$17.2M	2026 step rate increase
CT	23-08-32	GRC	10/3/2023	6/28/2024	Final Decision Issued	\$21.4M	\$6.5M	Additional \$1.1M in revenue if performance metrics met
CT	23-08-32WI03	WICA	1/28/2025	3/26/2025	Effective 4/1/25	\$1.6M	\$1.6M	4.9% cumulative WICA
CT	23-08-32WI04	WICA	7/30/2025	9/24/2025	Effective 10/1/25	\$3.1M	\$3.1M	7.5% cumulative WICA
CT	23-08-32WQ02	Water Quality and Treatment Adjustment (WQTA)	1/22/2026		Pending	\$648K		First WQTA filing since law passed in 2025
CT	23-08-32WI06	WICA	1/26/2026		Pending	\$2.7M		9.9% cumulative WICA, if approved as filed
ME	2024-00291	GRC Camden-Rockland	10/25/2024	6/27/2025	Effective 7/1/25	\$1.1M	\$865K	
ME	2024-00378	Request Unified Rate Schedule	12/31/2024	1/13/2026	Effective 2/1/26			Consolidate 10 rate jurisdictions into one
ME	2025-00125	WISC Biddeford-Saco	4/15/2025	6/24/2025	Effective 7/1/25	\$522K	\$522K	
ME	2025-00126	WISC Oakland	4/15/2025	6/24/2025	Effective 7/1/25	\$25K	\$25K	
TX	54430	System Improvement Charge	12/30/2022	3/21/2024	Effective 3/21/24	\$1.6M	\$1.6M	Recovery of eligible capital investment
TX	56974	System Improvement Charge	9/12/2024	5/15/2025	Effective 5/15/25	\$4.1M	\$4.1M	Recovery of eligible capital investment
TX	49859-132	Notice of Intent to Determine FMV	7/9/2025	8/7/2025	Appraisers Appointed			Quadvest acquisition
TX	49859-134	Notice of Intent to Determine FMV	8/27/2025	9/24/2025	Appraisers Appointed			Cibolo Valley acquisition
TX	58739	System Improvement Charge	10/6/2025		Pending	\$5.1M		Recovery of eligible capital investment
TX	59279	Sale-Transfer-Merger Application	1/21/2026		Pending			Quadvest acquisition

Non-GAAP Financial Measures

H2O America's net income and diluted EPS are prepared in accordance with GAAP and represent the earnings as reported to the Securities and Exchange Commission. Adjusted net income and Adjusted diluted EPS are non-GAAP financial measures representing GAAP earnings adjusted to exclude the effects of non-utility real estate transactions and costs associated with mergers and acquisition activities, if any. These non-GAAP financial measures are provided as additional information for investors to evaluate the performance of H2O America's business activities excluding these items. Management also believes these non-GAAP financial measures help investors and analysts better understand our actual results compared to our guidance on a non-GAAP basis. H2O America uses adjusted net income and/or adjusted diluted EPS as the primary performance measurements when communicating with analysts and investors regarding our outlook and results. Adjusted net income and Adjusted diluted EPS are also used internally to measure performance. However, these non-GAAP financial measures may be different from non-GAAP financial measures used by other companies, even when the same or similarly titled terms are used to identify such measures, limiting their usefulness for comparative purposes. Further, these non-GAAP financial measures should be considered as a supplement to the financial information prepared on a GAAP basis rather than an alternative to the respective GAAP financial measures.

Reconciliation of Non-GAAP Financial Measures

	Three months ended December 31,		Twelve months ended December 31,	
	2025	2024	2025	2024
Reported GAAP Net Income	\$ 16,220	22,920	\$ 102,578	93,967
Adjustments:				
(Gain)/loss on sale of real estate investments ¹	—	(397)	(273)	572
Expense for merger and acquisition activities ²	416	3,032	3,464	3,393
Tax effect of above adjustments ³	(116)	(737)	(882)	(1,148)
Adjusted Net Income (non-GAAP)	<u>\$ 16,520</u>	<u>\$ 24,818</u>	<u>\$ 104,887</u>	<u>\$ 96,784</u>
Reported GAAP Diluted Earnings Per Share	\$ 0.45	0.68	\$ 2.92	2.87
Adjustments:				
(Gain)/Loss on sale of real estate investments, net of tax	—	(0.01)	(0.01)	0.01
Expense for merger and acquisition activities, net of tax	0.01	0.07	0.08	0.07
Adjusted Diluted Earnings Per Share (non-GAAP)	<u>\$ 0.46</u>	<u>\$ 0.74</u>	<u>\$ 2.99</u>	<u>\$ 2.95</u>

¹ Included in the "Other, net" line on the condensed consolidated statements of comprehensive income.

² Included in the "Administrative and general" line on the condensed consolidated statements of income.

³ The tax effect on all adjustments is calculated at the applicable statutory rate.