Third Quarter 2026 Financial Results & 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 Quadvest and Cibolo Valley transactions, including, the risk of the proposed Cibolo Valley transaction not closing on the anticipated timeline, or at all, 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; (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. 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

2026 On Track

- Q3 results have us in position to deliver on our financial plan
  - Q3'26 GAAP diluted EPS of $0.99; Adjusted diluted EPS of $1.04[1]
  - YTD'26 GAAP diluted EPS of $2.13; Adjusted diluted EPS of $2.30[1]
- Narrowing FY2026 EPS guidance and affirming long-term financial growth targets
- Closed the transformative Quadvest acquisition on October 1
  - Quadvest's customer growth remains robust
  - Welcome Quadvest employees and other stakeholders!
- GRCs progressing in Connecticut and Maine
  - Continue to anticipate constructive outcomes





[1]See Appendix for H2O America's reconciliations for non-GAAP financial measures.

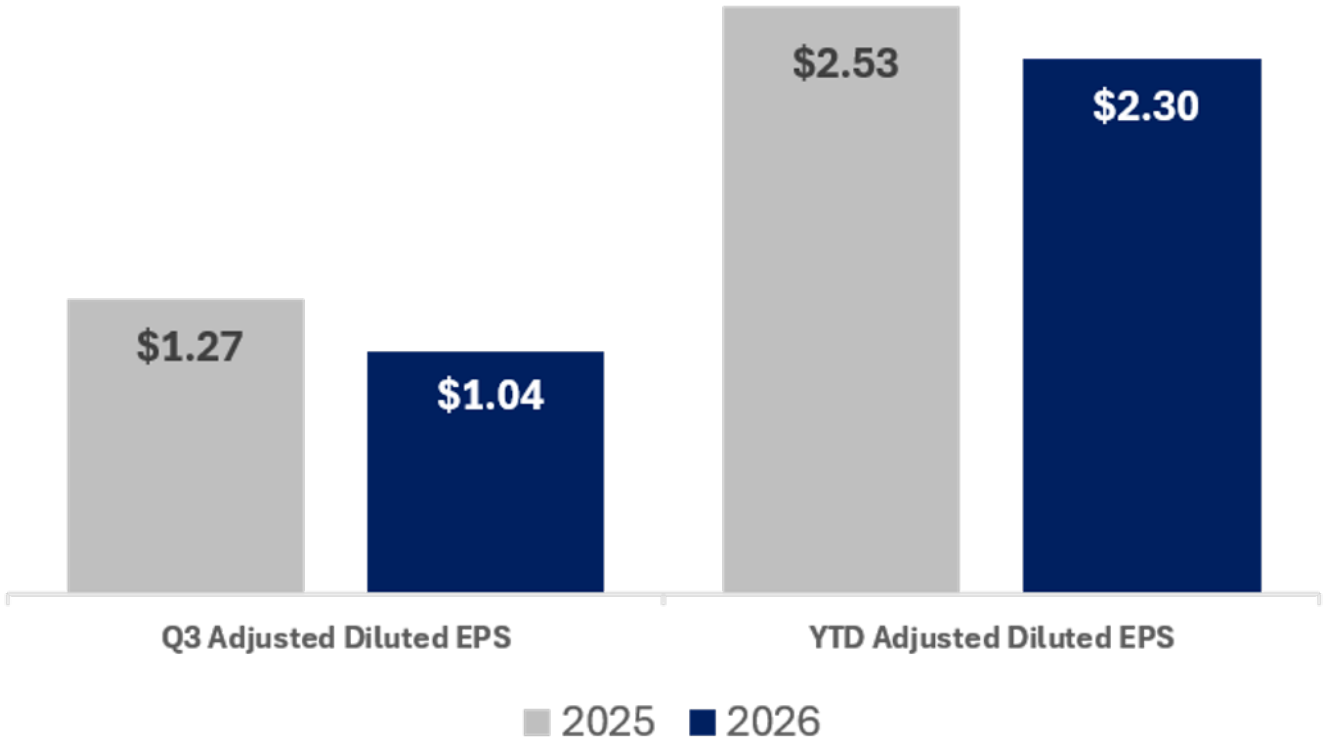
Financial Update



Ann Kelly
Chief Financial Officer
and Treasurer

Financial Highlights

Q3'26 GAAP diluted EPS of $0.99 while YTD'26 is $2.13

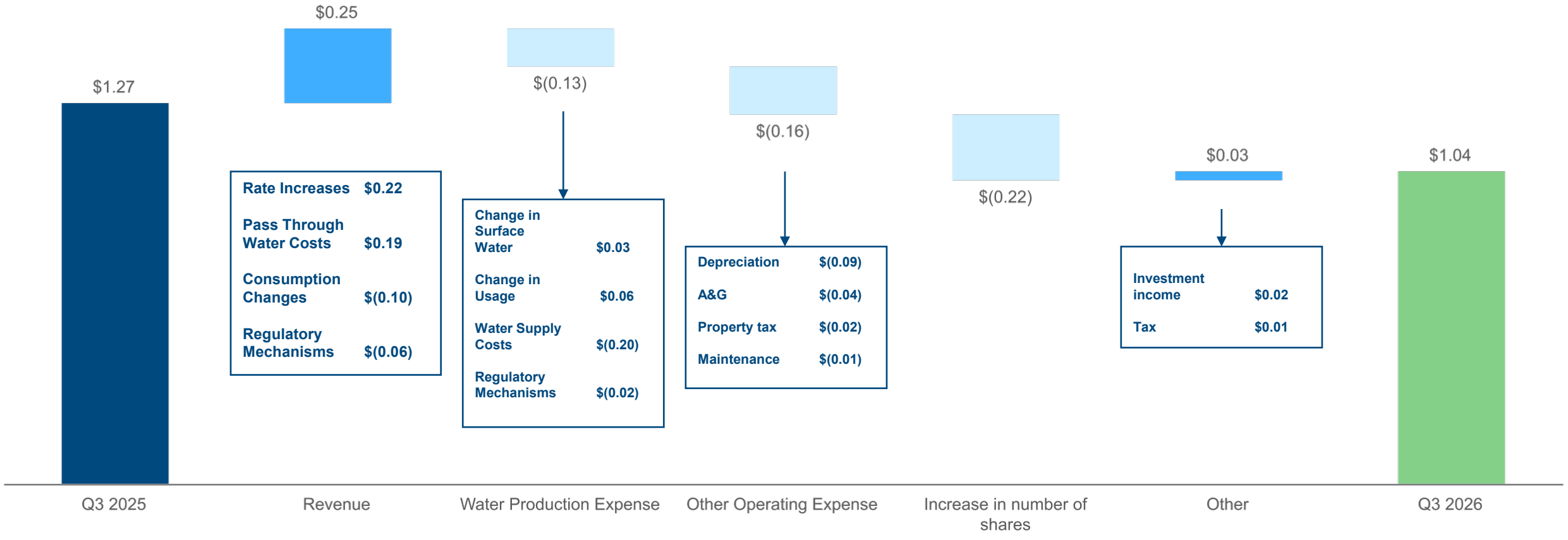


- Standalone adjusted diluted EPS guidance narrowed to $3.10-$3.16[1, 2]
  - YTD adjusted diluted EPS of $2.30 includes a $0.17 net headwind from the March Quadvest equity raise partially offset by interest income and savings
- Initiated adjusted diluted EPS guidance, including the impacts of the acquisitions and the financings thereof, of $2.91-$2.97[1, 2]
- 2026 company-funded CapEx plan adjusted to approx. $465 million[3] from $483 million
  - Our 2026-30 CapEx budget remains $2.7 billion[3]
  - $325 million[3] invested in infrastructure through September 30, 2026

[1]H2O 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 on the "unreasonable efforts" exception set forth in the SEC rules.

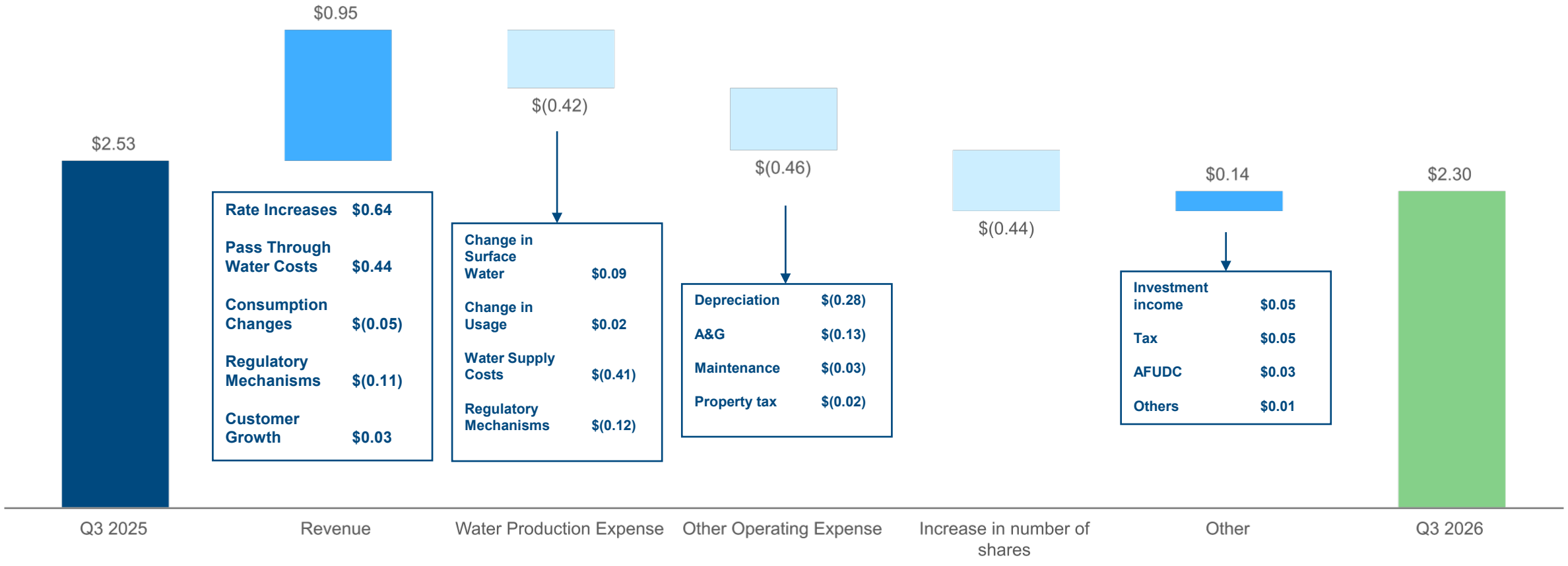
[2] See Appendix for H2O America's reconciliations for non-GAAP financial measures.
[3] Includes expenditures for cloud-based systems recorded as deferred assets; TWC includes elevated level of planned investments in Texas following the close of our acquisitions.

Q3’26 Adjusted Diluted EPS Trails Q3’25 Due Primarily To Share Issuances*



*See Appendix for H2O America’s disclosures for non-GAAP financial measures.

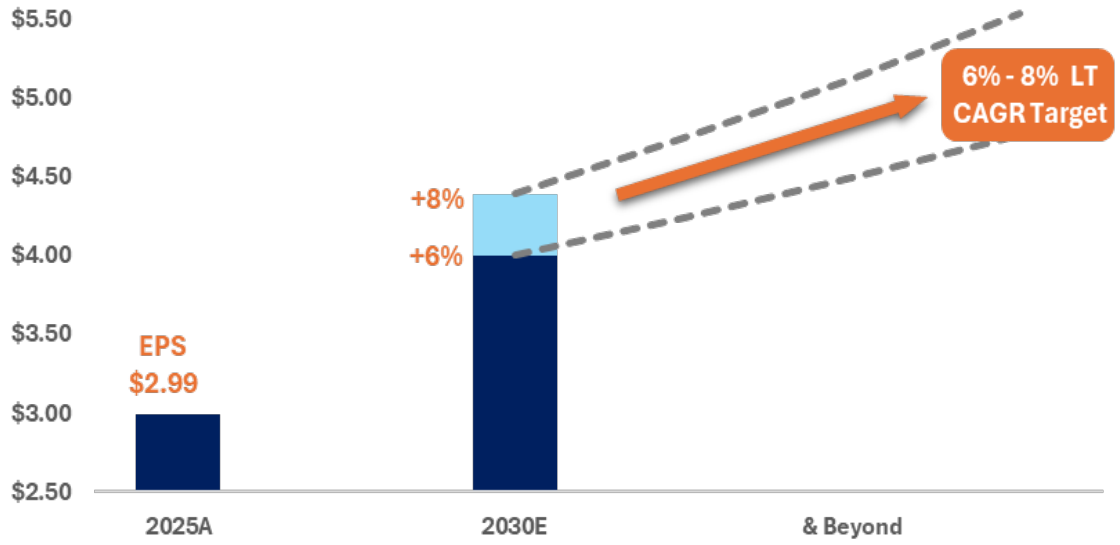
YTD'26 Adjusted Diluted EPS Trails YTD'25 Due To Share Issuances*



*See Appendix for H2O America's disclosures for non-GAAP financial measures.

6-8% Long-term EPS CAGR Guidance[1]

- Non-linear, 6-8% non-GAAP EPS growth rate
  - Anchored off 2025A adjusted diluted EPS of $2.99
  - Long-term nature reflects sustainable organic growth beyond 2030
- 2026E & 2027E EPS including Quadvest
  - Expect to fall below the ranges implied by our 6-8% CAGR
  - $2.94 midpoint of 2026 adjusted diluted EPS guidance including Quadvest is 6% below standalone guidance's $3.13 midpoint
  - We continue to believe 2027 dilution compared to our standalone plan could be in the 10-20% range
- Overall 2026-30E EPS CAGR off '25A
  - Expect to be at or above the top of 6-8% range driven by:
    - 5-year capex budget of $2.7 billion[2] plus Quadvest acquisition drives a projected 13% rate base CAGR
    - Anticipated Quadvest accretion beginning in 2028
    - Achieving fair and timely regulatory outcomes



[1] H2O 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. 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 on the "unreasonable efforts" exception set forth in the SEC rules.

[2] Includes expenditures for cloud-based systems recorded as deferred assets; TWC includes elevated level of planned investments in Texas following the close of our acquisitions.

Financing & Credit Metric Update

- **Equity Issuances:**
  - No additional common equity issuances expected through 2027
    - Settled 6.44 million shares under the $400 million, 2-year forward agreement for net proceeds of $330 million at the end of September to help fund Quadvest close
    - 1.11 million shares remain outstanding under the forward (net proceeds of approx. $56 million)
- **Debt Issuances:**
  - $100-200 million of debt for the Quadvest deal is still expected, though timing is flexible given upsized equity offering
- **Liquidity:** $169 million of our $370 million in bank lines of credit is available as of 9/30/26
- **FFO/Debt:**
  - 2026 financing plan designed to protect our ‘A’ category rating (S&P downgrade threshold is 11%)
  - Expect continued deleveraging throughout our 5-year plan

Regulatory and Acquisition Updates



Bruce A. Hauk
President and COO

Regulatory & Legislative Updates

San Jose Water:

- Filed 4/10/26 for cost recovery of Williams Station PFAS project outside of the GRC process. Estimated total capital cost is ~$176M. PD expected Q2 2027.
  - If approved, rates would adjust annually via rate base filing offsets
- $8.4M rate base filing offset increase approved, as requested, effective 7/1/26 for recovery of an incremental $52.9M of AMI project investments
- SB 1153 passed CA legislature & signed by Gov. Newsom — strengthens water utilities' wildfire resilience; clarifies water utilities' wildfire liability limitations
- SJWC's 2028-30 GRC will be filed early January 2027

Connecticut Water:

- GRC filed 5/11/26; requests a $28.8M increase in annual revenues to recover ~$145M of investments
  - Evidentiary hearings completed; proposed decision expected mid-Dec.

SAN JOSE WATER

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

ConnecticutWater

WQTA allows for annual recovery of capex invested to treat PFAS and emerging contaminants; not limited to completed projects

7.5% annual cap

15% cap between GRCs

Regulatory & Legislative Updates

Maine Water:

- First consolidated GRC filed 4/13/26; requests a $9.5M increase in annual revenues to recover ~$36M of investments
  - Progressing on time; we expect new rates effective by May 2027
- Commissioner Scully is Acting MPUC Chair after Chair Bartlett's resignation

Texas Water:

- PUCT on 10/1/26 adopted the PFD in our SIC application; a $0.2M annual revenue decrease vs. our requested $5.1M increase took effect
  - Learnings from SIC proceeding to be incorporated into future filings
- Acquisitions – Quadvest closed 10/1/26; Cibolo Valley expected to close 11/2/26
- TWC plans to file a combined company TX GRC in the first half of 2027
  - Main drivers are rate recognition of (1) significant water supply & reliability investments ($300M+ just over the 2024-26 period) and (2) Quadvest's & Cibolo's rate base

Maine Water

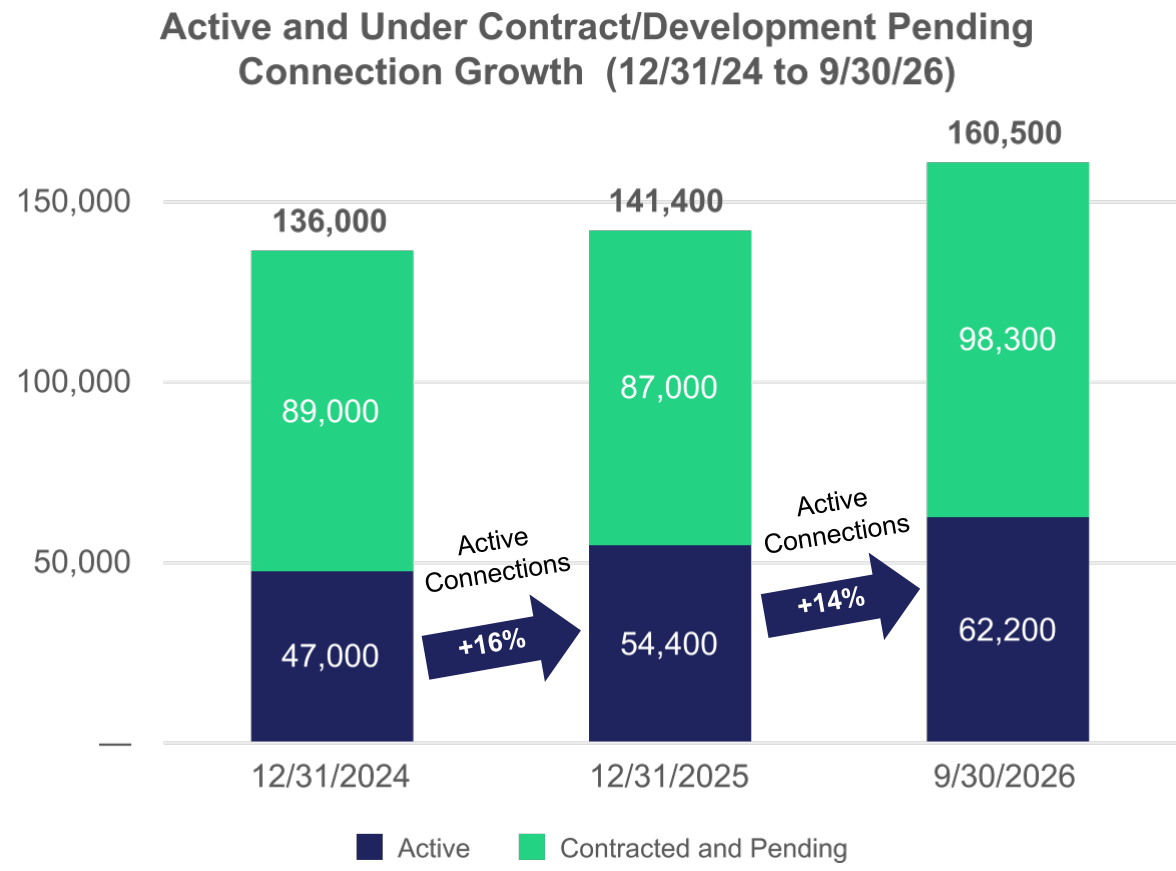
Rate unification stipulation allows the consolidation of 10 divisions into a single division and creates a needs-based financial assistance rate program

Texas Water Company

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

Quadvest Update

- Quadvest acquisition closed on 10/1/26 following two key milestones:
  - On 8/17, the PUCT issued an order in the Quadvest, L.P. Sale-Transfer-Merger (STM) application that approved the close of the regulated portion of the transaction
  - Quadvest, L.P.'s Fair Market Value (FMV) determination received in late Dec. '25 means that, in accordance with Texas' FMV statute, the purchase price will serve as the initial ratemaking rate base
    - $483.6M base purchase price of Quadvest, L.P., subject to adjustment pursuant to certain terms of the asset purchase agreements



We protect what's precious.

H2O America

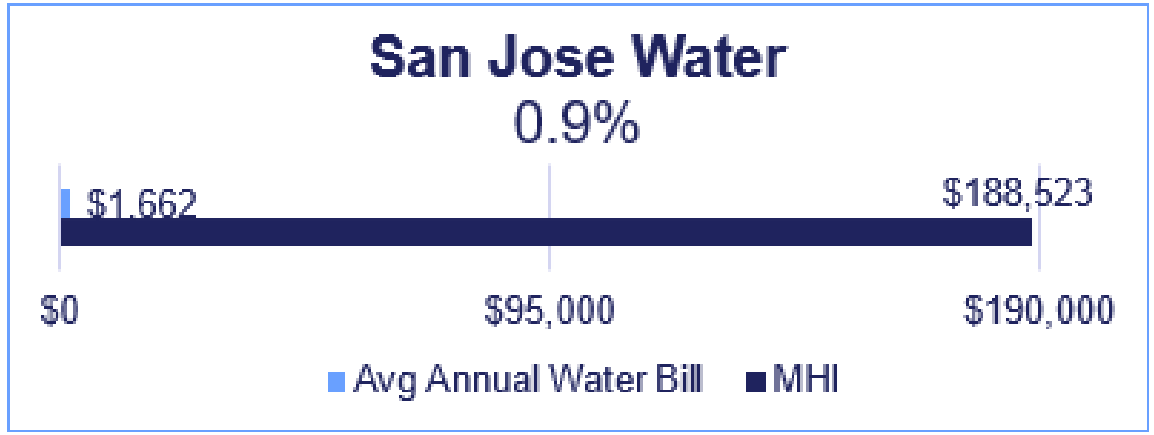


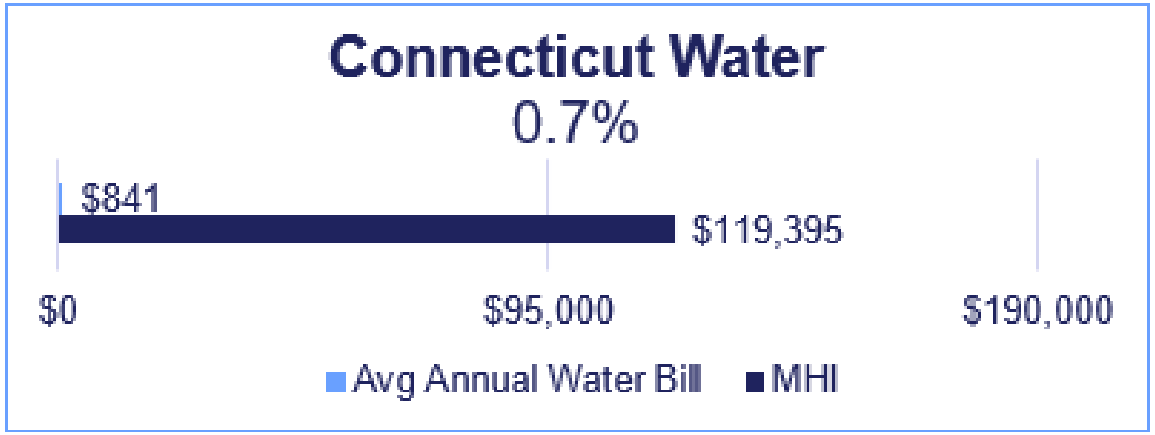
Appendix

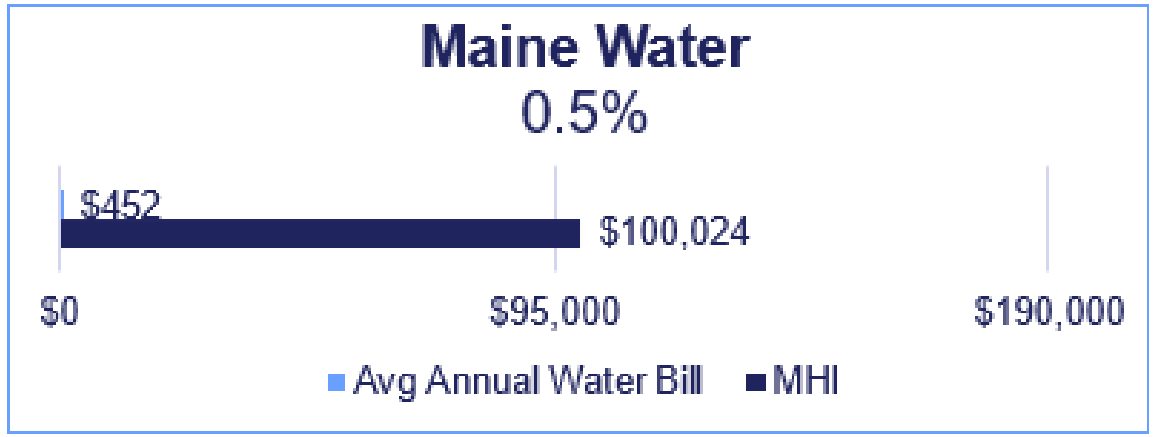
H2O America

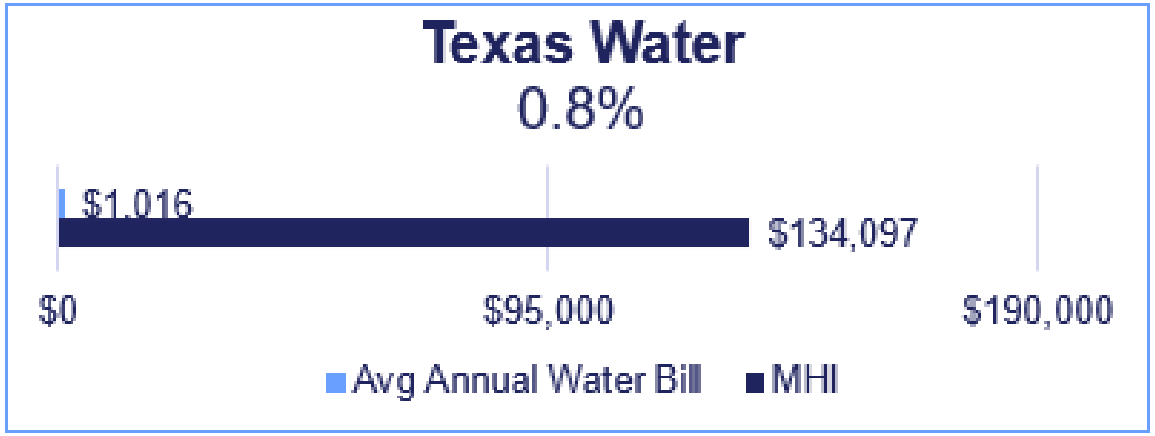
Customer Bill Affordability

Customer bills as a percentage of median household income (MHI)[1]









[1]as of 12/31/25, MHI = 2023 US Census weighted average of median household income for zip codes served based on data available through ESRI, escalated to 2025 based on state-specific U.S. Census historical data. Bill data is based on actual average residential customer usage for the prior 12 months at December 2025 rates in the largest division/service area.

Key Statistics by State (as of December 31, 2025)

As of December 31, 2025	California	Connecticut	Maine[1]	Texas[5]
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 year-end 2025 rate base that includes net utility plant not yet included in rate base pending rate case filings and outcomes.
[5] Texas' statistics do not include the regulated business of Quadvest since we did not close the acquisition until 10/1/26

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; $450M 3-yr capital budget
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	Effective 7/1/25	$6.8M	$6.8M	
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
CA	26-04-010	Cost Recovery of Williams Station PFAS Remediation Project	4/10/2026		Pending			Estimated capital cost of $176M; adjust rates via annual rate base filing offsets
CA	Advice Letter 629/629A	AMI Rate Base Offset	6/1/2026	6/30/2026	Effective 7/1/26	$8.4M	$8.4M	
CT	23-08-32	GRC	10/3/2023	6/28/2024	Effective 7/1/24	$21.4M	$6.5M	Additional $1.1M in revenue if performance metrics met (met in 2025)
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	3/18/2026	Effective 4/1/26	$648K	$611K	First WQTA filing since law passed in 2025
CT	23-08-32WI06	WICA	1/26/2026	3/25/2026	Effective 4/1/26	$2.7M	$2.7M	9.9% cumulative WICA
CT	26-03-15	GRC	5/11/2026		Pending	$28.8M		270 day statutory proceeding
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	Revenue neutral		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	
ME	2026-00051	WISC (Consolidated)	2/27/2026	5/1/2026	Effective 5/1/26	$948K	$948K	First consolidated WISC filing
ME	2026-00028	GRC (Consolidated)	4/13/2026		Pending	$9.5M		First consolidated GRC filing
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	10/1/2026	Approved	$5.1M	($238K)	Recovery of eligible capital investment
TX	59279	Sale-Transfer-Merger Application	1/22/2026	8/17/2026	Approved			Quadvest (closed 10/1/2026)
TX	59686	Sale-Transfer-Merger Application	4/21/2026	9/16/2026	Approved			Cibolo Valley (expected close 11/2/2026)

* AMI = Advanced Metering Infrastructure; GRC = General Rate Case; WICA = Water Infrastructure Conservation Adjustment; WISC = Water Infrastructure Surcharge; FMV = Fair Market Value

Pending General Rate Cases

Connecticut Water Company GRC

Docket #	26-03-15
Filing Date	5/11/2026
Potential Final Decision	1/29/2027
Requested Revenue Increase	$28.8M
Avg. Residential Bill Impact	~$15/month
Requested ROE	10.00%
Requested Cap Structure	54.0%E/46.0%D
Requested Rate Base	$907M
Test Year*	12/31/2025
Capital Invested Not Yet In Rates	$145M
Procedural Schedule:	
Intervenor Testimony	7/31/2026
Rebuttal Testimony	8/14/2026
Evidentiary Hearings Start	9/21/2026
Proposed Decision *(tentatively)*	12/18/2026

Other Notables:

- Requests continuation of PURA's four performance incentive metrics
- Requests balancing accounts for medical expense and carbon filters
- Request 5-year capital plan approval
- Rates expected to be effective by February 2027 (270 days statutorily)

* with adjustments for known and measurable changes through the midpoint of the rate year ended 1/31/2028

Maine Water Company GRC

Docket #	2026-00028
Filing Date	4/13/2026
Potential Final Decision	Q2 2027
Requested Revenue Increase	$9.5M
Avg. Residential Bill Impact	~$13/month
Requested ROE	9.90%
Requested Cap Structure	52.0%E/48.0%D
Requested Rate Base	$216M
Test Year*	12/31/2025
Capital Invested Not Yet In Rates	$36M
Procedural Schedule:	
Intervenor Testimony	7/13/2026
Rebuttal Testimony	9/18/2026
Evidentiary Hearings Start	1/7/2027
Proposed Decision	TBD

Other Notables:

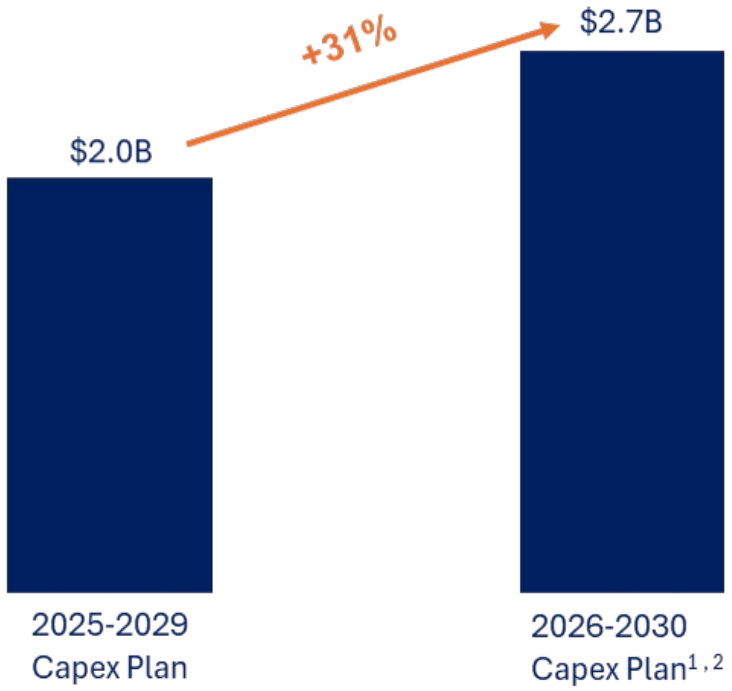
- This is the1st GRC filed under a unified rate structure
- Will eventually move 10 rate districts into full parity
- Rates expected to be effective by May 2027 (12 months statutorily)

* with adjustments for known and measurable changes through the rate year ended 4/30/2028

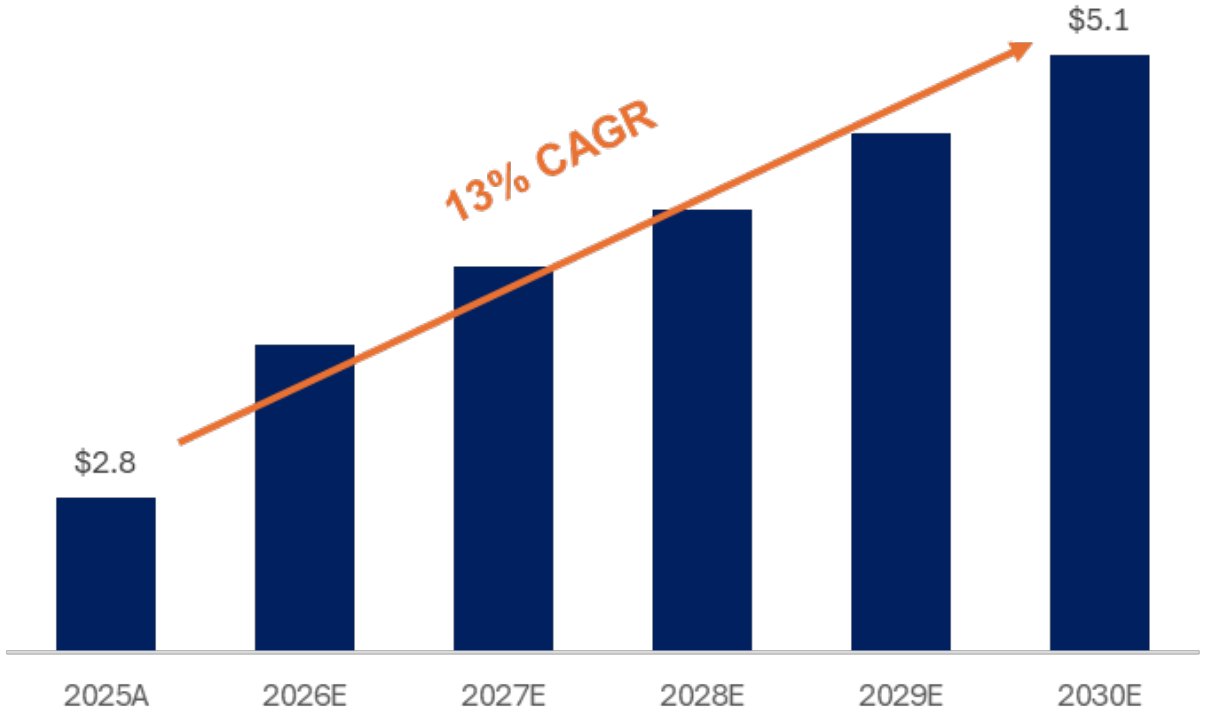
CapEx + Quadvest = Attractive Rate Base Growth

- 2026-30 capex budget of $2.7B[1, 2] plus the addition of Quadvest drives a projected 13% rate base CAGR

5-year CapEx Budget[1] *($ in millions)*



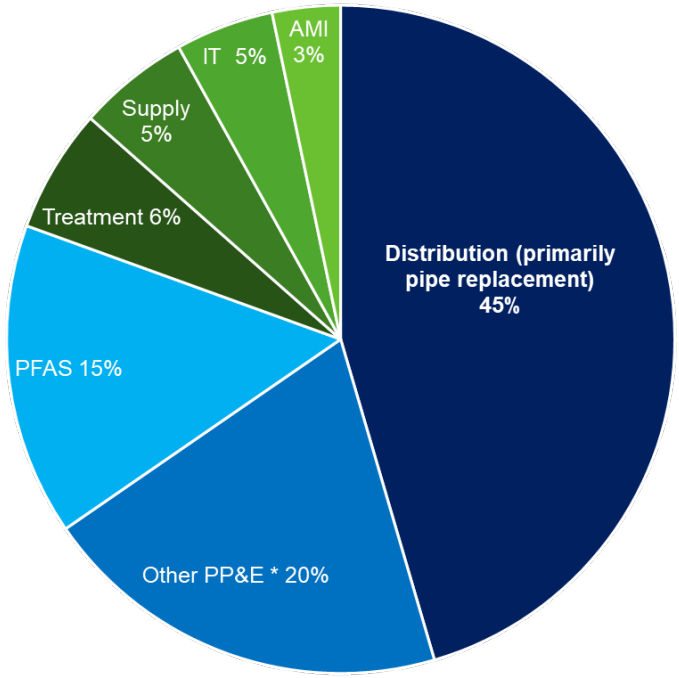
Projected Year-end Rate Base *($ in billions)*



[1] Includes expenditures for cloud-based systems recorded as deferred assets;
[2] Includes elevated level of planned investments in Texas following the close of our Quadvest and pending Cibolo Valley acquisitions (whereas the 2025-29 plan did not)

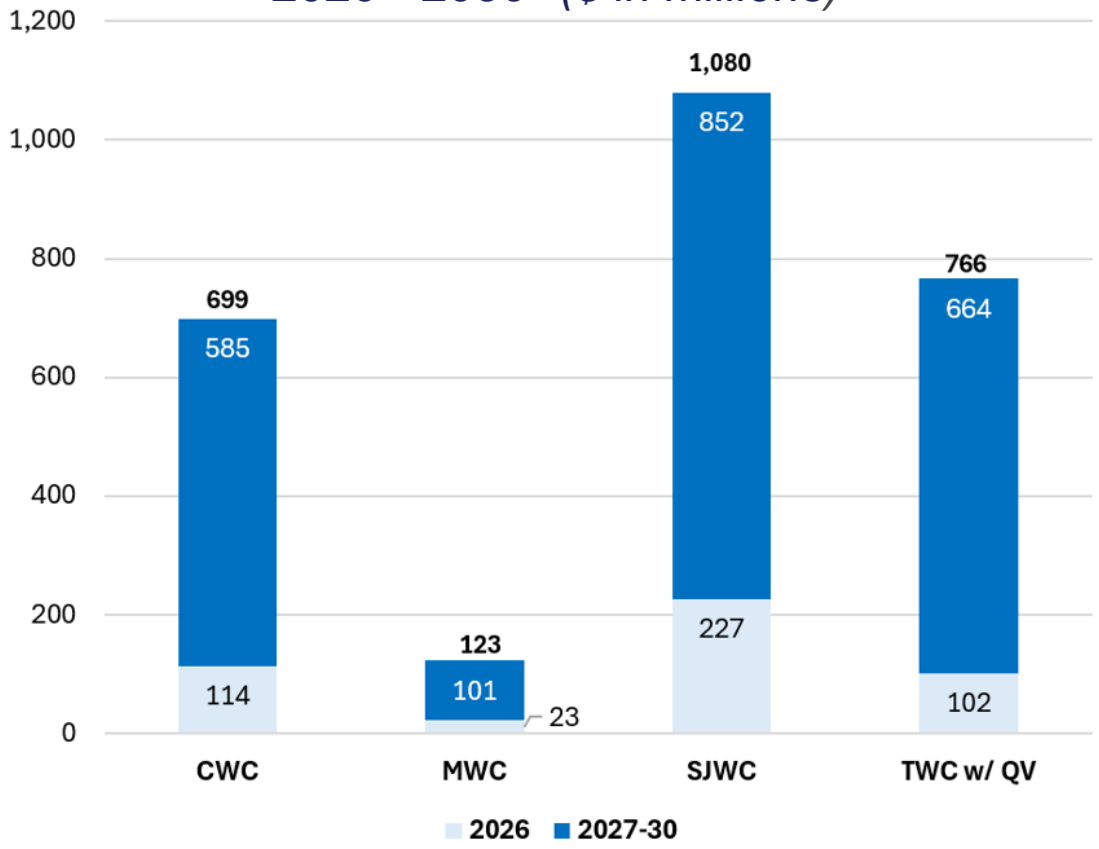
Breaking Down the 2026-30 CapEx Plan

Nearly half of 2026-30 budget is distribution system investments

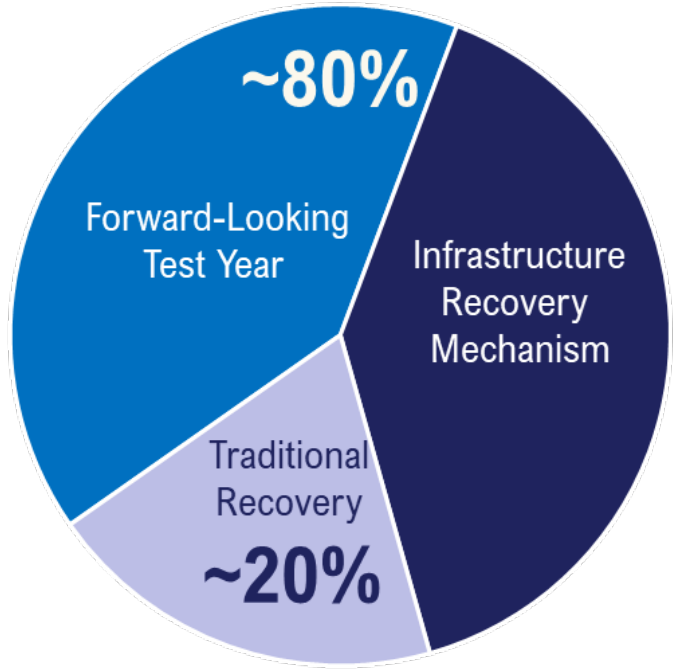


* Other PP&E includes pump station and equipment, reservoir and tanks & other equipment

Planned CapEx by State 2026 - 2030[1] *($ in millions)*



Roughly 80% of 2026-30 budget qualify for timely regulatory recovery[2]



[1]Includes expenditures for cloud-based systems recorded as deferred assets; TWC includes elevated level of planned investments in Texas following the close of our acquisitions.
[2]Based on budgeted investments or filings that qualify for infrastructure recovery mechanisms, including the recently enacted Water Quality Treatment Adjustment in Connecticut.

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, L.P. and Quadvest Wholesale, LLC
- As of 9/30/2026, Quadvest has 62,200 active connections and 98,300 connections under contract and pending development

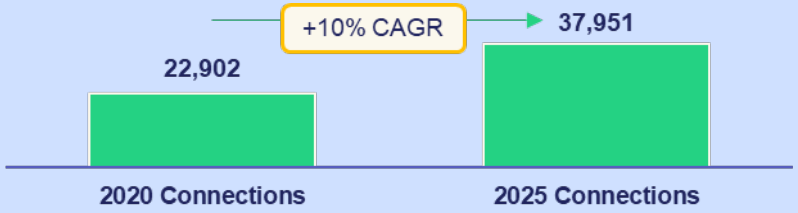
Quadvest, L.P.
(Regulated)

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

70 subdivisions serving ~41,200 connections and pipeline of~77,300 under contract and pending future development

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



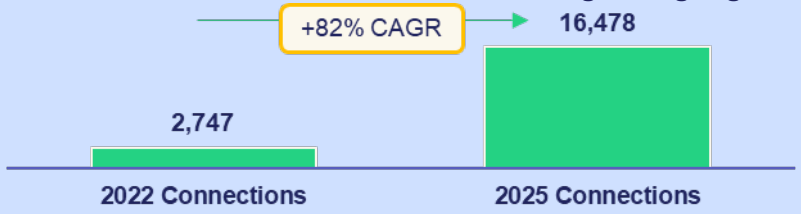
Quadvest Wholesale, LLC
(Utility-like)

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

5 subdivisions serving ~21,000 connections and pipeline of ~21,000 under contract and pending future development

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

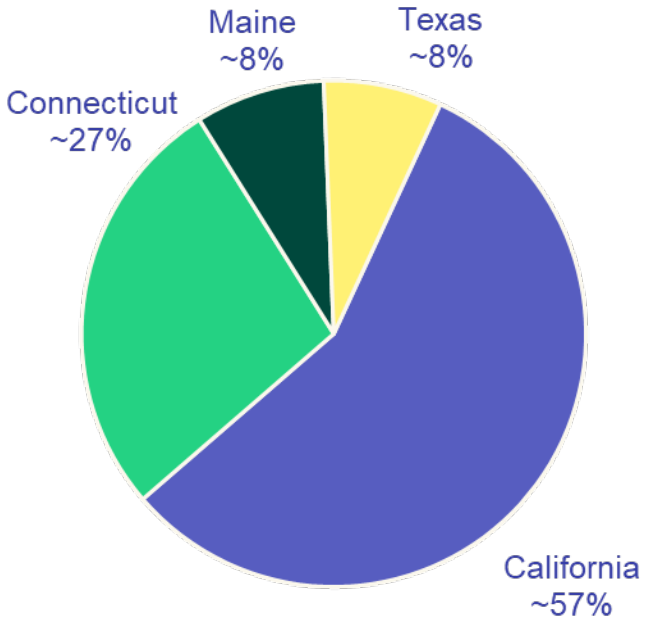
Growth fueled by buildout of master planned communities by multiple home builders in one of America's fastest growing regions



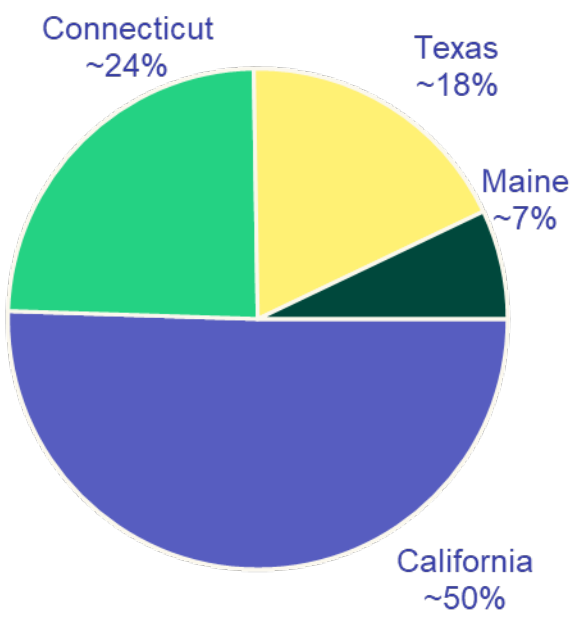
[1]The base purchase prices of Quadvest, L.P. and Quadvest Wholesale, LLC are subject to adjustment pursuant to certain terms of the asset purchase agreements.

Transaction Strengthens H2O America's Position by Customer Connections Nationwide[1]

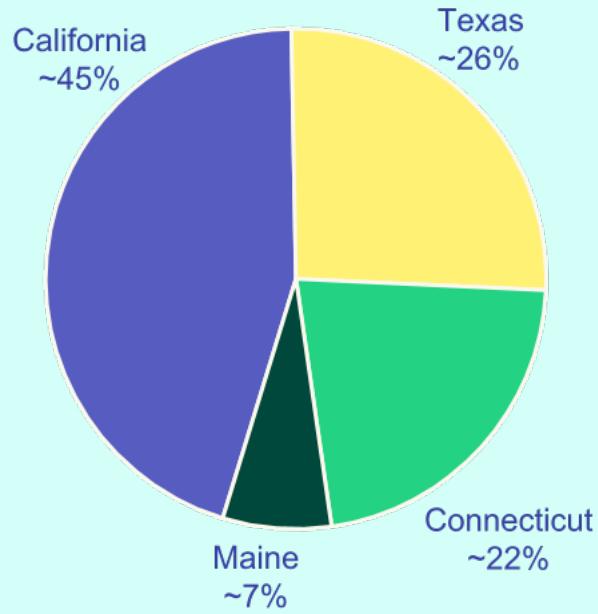
Standalone H2O America (2025A)



H2O America + Quadvest (2025A)



H2O America + Quadvest (2030E)



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

[1]Customer connections as of 12/31/2025. The Quadvest transaction was announced on July 8, 2025 and closed October 1, 2026.

Quadvest Transaction Enhances Strategic Profile

Enhances Scale	▪ 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	▪ 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	▪ 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	▪ 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

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, acquisition and integration 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 September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Reported GAAP Net Income	$ 43,044	45,132	$ 88,646	86,358
Adjustments:				
Gain on sale of real estate investments[1]	(1,152)	(273)	(1,324)	(273)
Expense for merger, acquisition and integration related activities[1]	3,774	700	10,185	3,048
Non-recurring tax adjustments due to merger, acquisition and integration related activities[2]	264	—	264	—
Tax effect of above adjustments[3]	(733)	(109)	(2,479)	(766)
Adjusted Net Income (non-GAAP)	45,197	45,450	95,292	88,367
Reported GAAP Diluted Earnings Per Share	$ 0.99	1.27	$ 2.13	2.48
Adjustments:				
Gain on sale of real estate investments, net of tax	(0.02)	(0.01)	(0.02)	(0.01)
Expense for merger, acquisition and integration related activities, net of tax	0.06	0.01	0.18	0.06
Non-recurring tax adjustments due to merger, acquisition and integration related activities	0.01	—	0.01	—
Adjusted Diluted Earnings Per Share (non-GAAP)	$ 1.04	1.27	$ 2.30	2.53

[1] Included in the "Administrative and general" and “Other, net” lines on the consolidated statements of comprehensive income.
[2] Included in the “provision for income taxes” line on the condensed consolidated statements of comprehensive income.
[3] The tax effect of the pre-tax adjustments is calculated using the applicable statutory tax rates and excludes the adjustment described in footnote ², as it is already reflected as a tax item.