



*Pure-Play Regulated Water & Wastewater Utility Company*



# Forward-Looking Statements

Certain statements in this presentation include certain forward-looking statements which reflect the company's expectations regarding future events. The forward-looking statements involve a number of assumptions, risks, uncertainties, and other factors that could cause actual results to differ materially from those contained in the forward-looking statements. These forward-looking statements include, but are not limited to, statements about our strategies; expectations about future business plans, prospective performance, growth, and opportunities, including expected growth in and around metropolitan Phoenix and Tucson and the resulting potential for new service connections; future financial performance, including the anticipation of another strong year ahead for the company; regulatory and ACC proceedings, decisions, and approvals, such as the anticipated benefits resulting from rate decisions, including any collective revenue increases or decreases due to new water and wastewater rates, our beliefs and expectations pertaining to ACC actions relating to our Southwest Plant, as well as the outcome and timing of our rate case and other applications with the ACC, including our applications for the approval of an accounting order relating to the Southwest Plant; our plans relating to future filings of our rate cases with the ACC; acquisition plans and our ability to complete additional acquisitions, including the anticipated acquisition of seven public water systems from the City of Tucson, the expected increase in active water service connections, and the anticipated timing of the consummation of such acquisition; population and growth projections; technologies, including expected benefits from implementing such technologies; revenues; metrics; operating expenses; trends relating to our industry, market, population and job growth, and housing permits; the adequacy of our water supply to service our current demand and growth for the foreseeable future; liquidity and capital resources; plans and expectations for capital expenditures; cash flows and uses of cash; dividends; depreciation and amortization; tax payments; our ability to repay indebtedness and invest in initiatives; the anticipated impact and resolutions of legal matters; the anticipated impact of new or proposed laws, including regulatory requirements, tax changes, and judicial decisions; the anticipated impact of accounting changes and other pronouncements; and other statements that are not historical facts, as well as statements identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", or the negative of these terms, or other words of similar meaning.

These statements are based on our current beliefs or expectations and are inherently subject to a number of risks, uncertainties, and assumptions, most of which are difficult to predict and many of which are beyond our control. Actual results may differ materially from these expectations due to changes in political, economic, business, market, regulatory, and other factors. Additional risks and uncertainties include, but are not limited to, whether all conditions precedent in the asset purchase agreement to acquire the seven public water systems from the City of Tucson will be satisfied, including the receipt of ACC approval, and other risks to consummation of the acquisition, including circumstances that could give rise to the termination of the asset purchase agreement and the risk that the transaction will not be consummated without undue delay, cost or expense, or at all. Factors that may also affect future results are disclosed under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our filings with the Securities and Exchange Commission (the "SEC"), which are available at the SEC's website at [www.sec.gov](http://www.sec.gov). This includes, but is not limited to, our most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings with the SEC. Accordingly, investors are cautioned not to place undue reliance on any forward-looking statements, which reflect management's views as of the date hereof.

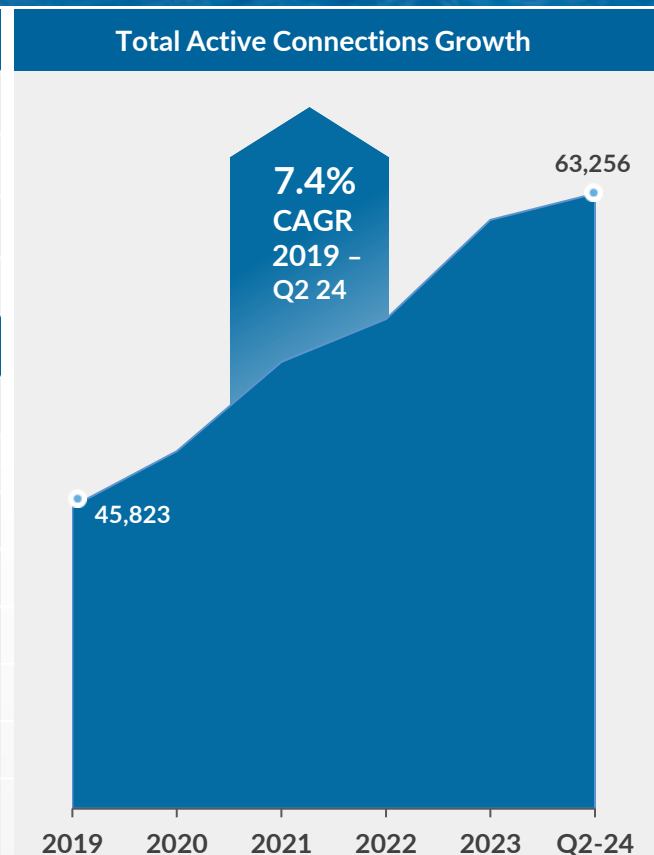
We undertake no obligation to publicly update any forward-looking statement, except as required by law, whether as a result of new information, future developments or otherwise.

# Global Water Resources Key Stats (NASDAQ: GWRS)



Stock Price 8/27/24	\$12.41
52 Week Low-High	\$9.34-\$13.42
Avg. Volume (3 mo.)	24,106
Shares Outstanding	24.2M
Public Free Float est.	47%
Insider Holdings, est.	53%
Institutional Holdings	30%
Market Cap	\$301M
Enterprise Value	\$405M
Founded	2003
U.S. IPO	2016
Total Employees	120
Active Connections	~63K

Total Revenue <i>ttm</i>	\$52.0M
Net Income <i>ttm</i>	\$6.2M
Net Income Margin <i>ttm</i>	11.9%
Adjusted EBITDA <i>ttm</i> <sup>1</sup>	\$25.7M
Adjusted EBITDA Margin <i>ttm</i> <sup>1</sup>	49.8%
Liquidity <sup>2</sup>	\$33.1M
Total Assets @ 6/30/24	\$384.5M
Total Debt @ 6/30/24	\$123.0M
Annual Interest Expense	\$6.03M
Dividend Yield @ 8/19/24	2.4%



<sup>1</sup>Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. For the definition of Adjusted EBITDA and Adjusted EBITDA margin and their reconciliation to GAAP net income (loss) and GAAP net income (loss) margin, see "Reconciliation" slide in Appendix. Adjustment primarily relates to significant non-cyclical revenue received periodically.

<sup>2</sup>Liquidity as of June 30, 2024, includes cash and cash equivalents and \$15M of unused credit revolving facility.

*t*tm = Trailing twelve months ended June 30, 2024.

Sources: Capital IQ, IPREO, Nasdaq.com 7& company estimates

# Global Water Resources – Who We Are



**Fast-Growing Provider  
of Water Resource  
Management**



**Service Area Primarily in  
the Growth Corridors of  
Metropolitan Phoenix &  
Tucson, Arizona.**



**Own & Operate 32 Systems  
Providing Water,  
Wastewater & Recycled  
Water Services**



**Active M&A Program in  
Highly Fragmented State  
12 Utilities Acquired  
Since 2017**

**1 Billion+**  
**Gallons of Water  
Recycled Annually**



## MISSION

Aggregate water & wastewater utilities so that we and our customers can realize the benefits of consolidation, regionalization and environmental stewardship in the face of today's water scarcity.

## VISION

Grow an enduring utility company with a professional staff focused on:

- Excellent customer service
- Quality water resource delivery
- Management of water scarcity through innovation in water recycling and technologies

## Our Commitment



**Deliver high-quality service at a fair value.**



**Leverage advanced technologies that benefit customers, employees and environment.**

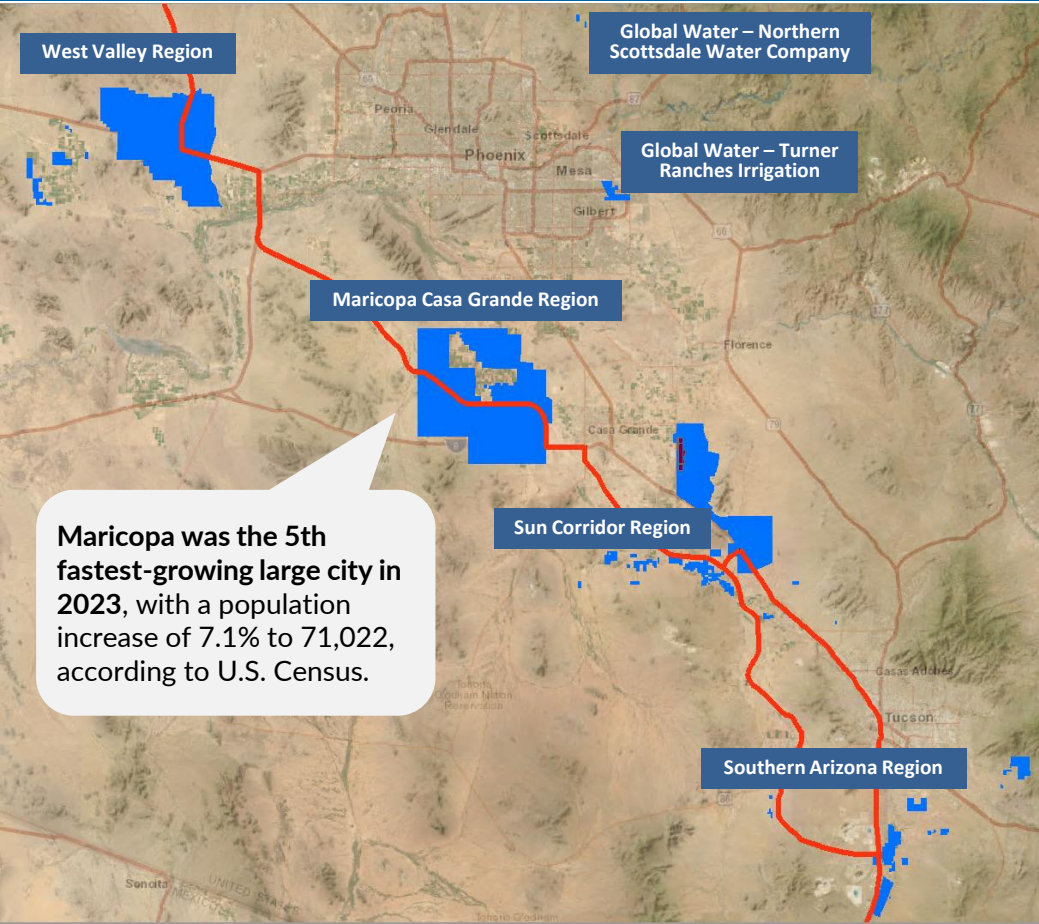


**Manage entire water cycle through Total Water Management. Protecting our most precious resource and ensuring long-term sustainability for the communities we serve.**



**Create an attractive investment opportunity focused on long-term value creation.**

# We Establish Large Contiguous Investor-Owned Water Utility Service Areas, Strategically Located in Growth Corridors



## Located in Two Fast-Growing Counties<sup>1</sup>

### Maricopa County

Projected to grow **22%** to 4.7 million people in 2024 compared to 3.8 million in 2010.

1) Source: [World Population Review](#), 2010-2024P.

### Pinal County

Projected to grow **31%** to ~496,000 people in 2024 from ~379,000 in 2010.

1) Source: [World Population Review](#), 2010-2024P.

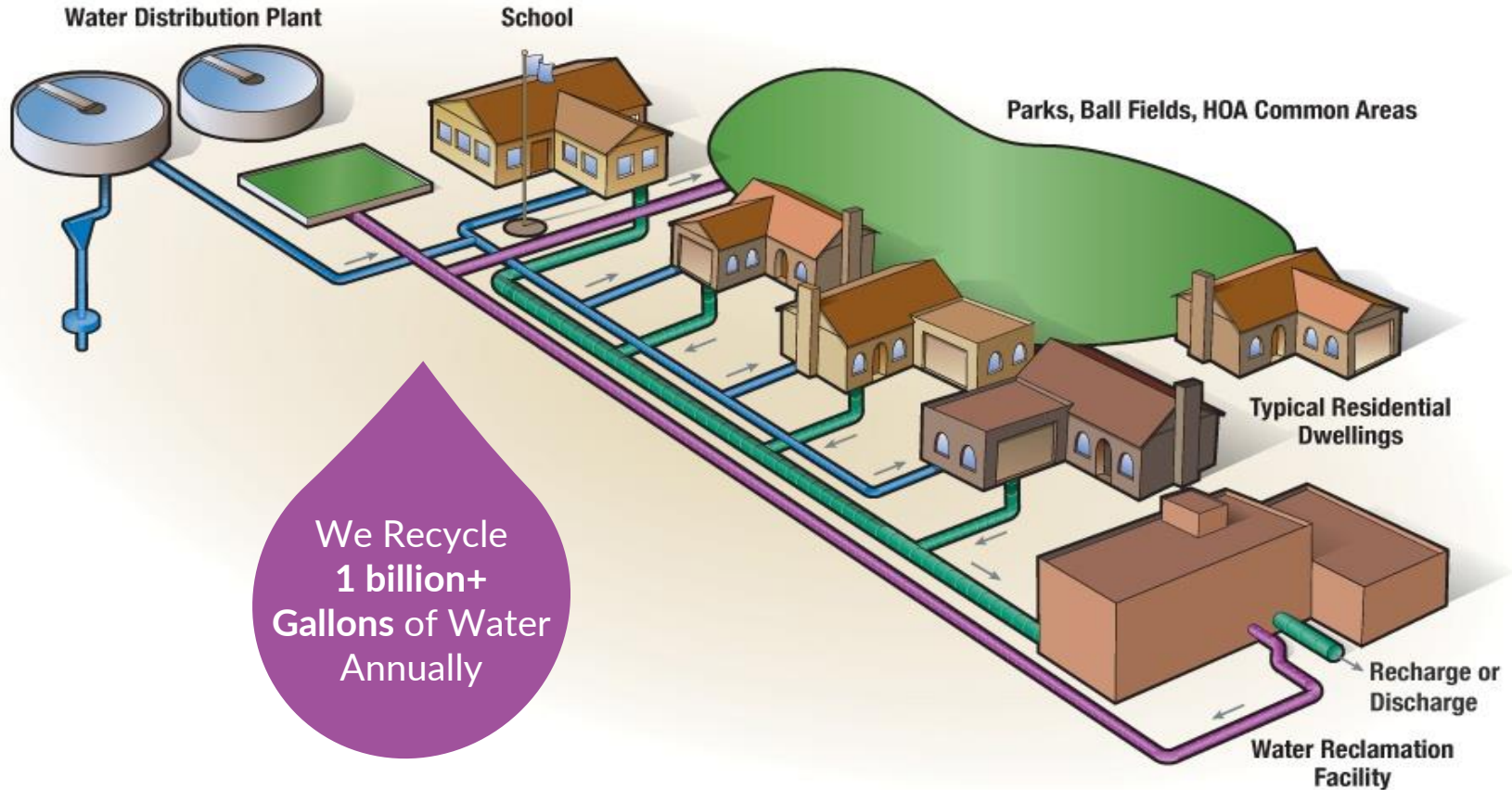
**63,256 Total Active Connections**

@ June 30, 2024

**500+ Square Miles  
Permitted Service Territory**

*~408 square miles of certificated service area*

# We Manage the Entire Water Cycle Through Our Operating Model of Total Water Management

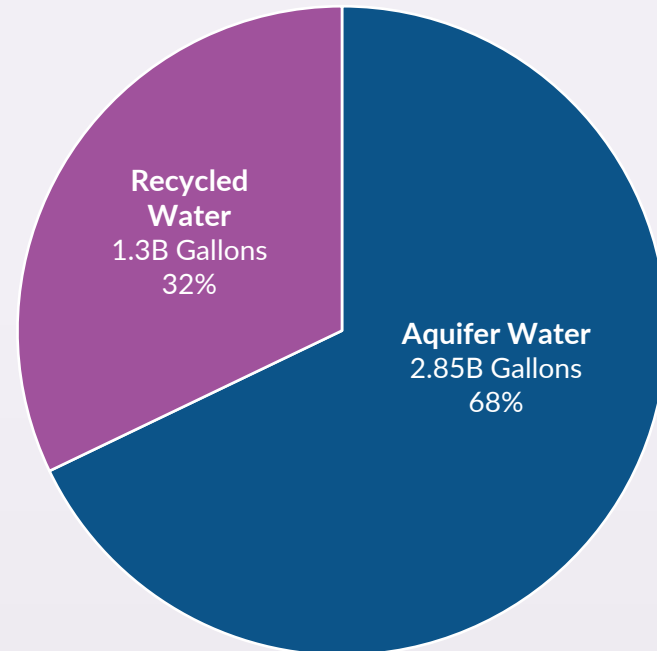


We Recycle  
1 billion+  
Gallons of Water  
Annually

# Our Recycled Water Relieves Aquifer Demand

- Water use in 2023 totaled 4.2 billion gallons.
  - 68% aquifer water or 2.85 billion gallons.
  - 32% recycled water or 1.35 billion gallons.
- Our Total Water Management practices **reduced demand** on the Maricopa Stanfield Sub-basin aquifer by **32% in 2023**.

## Global Water's Full Year 2023 Water Usage



### 2023 Water Usage

	Gallons Used	Gallons per Acre Foot	Acre Feet	% of Total Water Usage
DAWS/Aquifer Water Used	2,851,196,250	325,851	8,750	68%
Recycled Water Used	1,348,992,000	325,851	4,140	32%
<b>Total Water Used</b>	<b>4,200,188,250</b>		<b>12,890</b>	<b>100%</b>

Aquifer water source is Maricopa Stanfield Sub-basin aquifer



# Utilization of Advanced Technology Results in Conservation, Improved Service Levels & Efficiencies



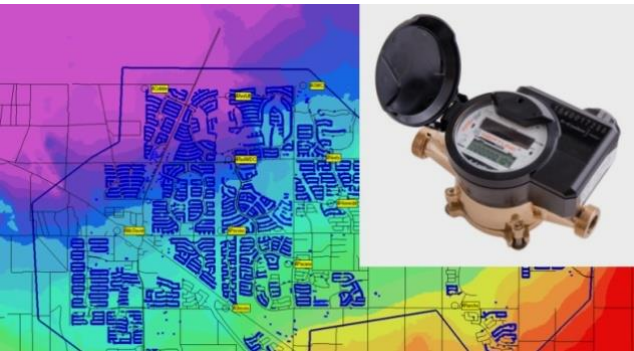
**Advanced Treatment Systems**



**Automated Asset Management**



**Centralized Call Centers**



**Remote Meter Reading**



**Real-time Monitoring**

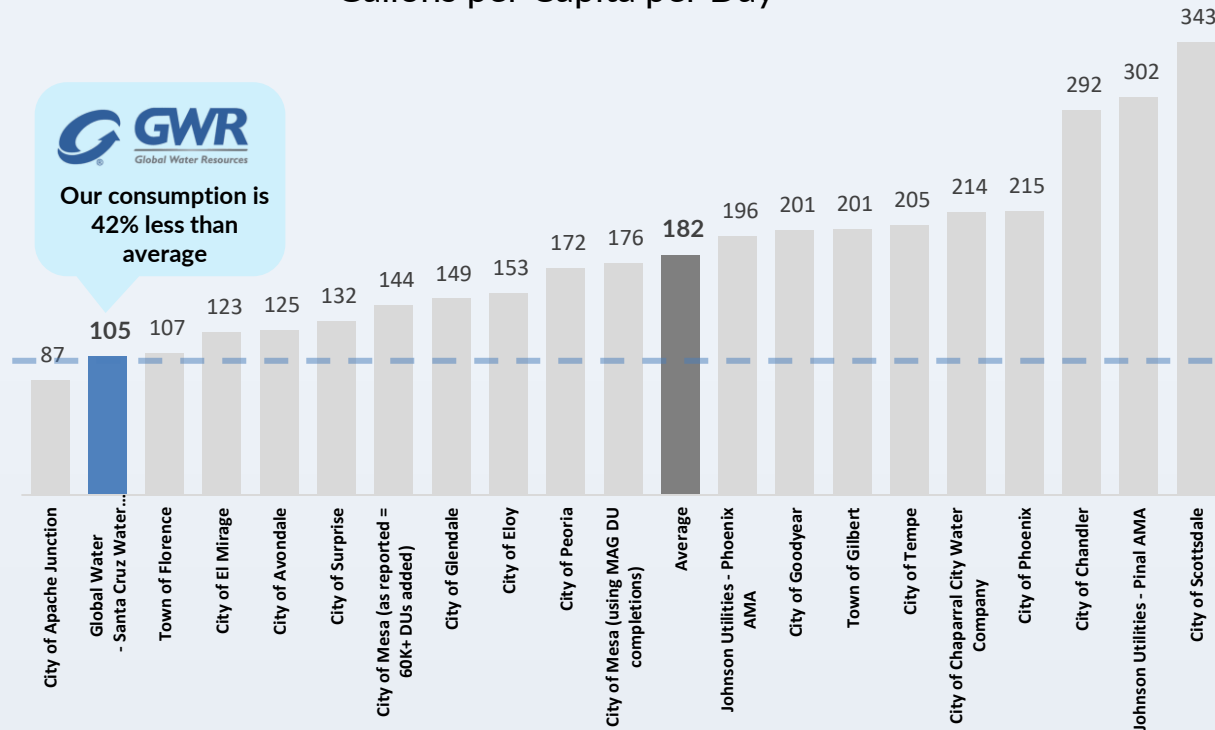


**Sophisticated Team of Engineers, Analysts & Technicians**

# We Use 42% Less Water than Average

- **Total Water Management water reuse practices** enables less water consumption compared to other service providers.
- In fact, we use on average **105 gallons** of water per capita per day.
- Our daily consumption is **42% less** than the average consumption of 182 gallons of water per capita per day.

## Average Daily Consumption by Designated Service Provider Gallons per Capita per Day

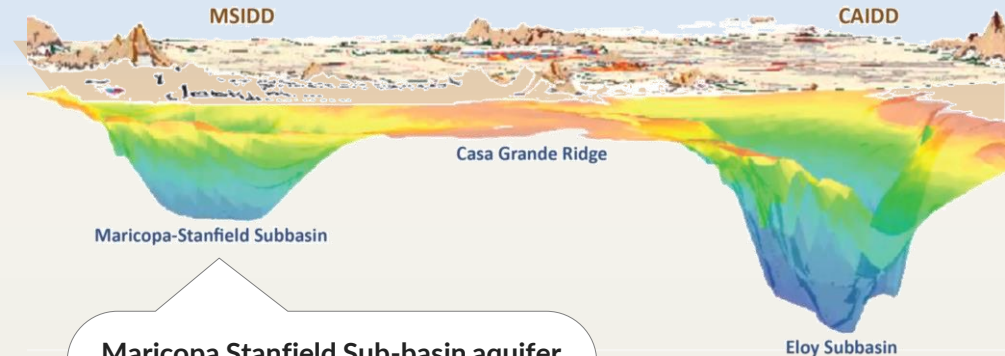


Source: The Arizona Department of Water Resources, the state's water supply regulator, provided the average consumption per day per person for all designated water providers in the Phoenix and Pinal County Active Management Areas as of 2021.

# Reliable Source of Fresh Water Supply

- **Underground aquifers are our primary source of fresh water supply.**
- **We do not rely on the Colorado River for water.**
- **We have an existing assured water supply from the Maricopa Stanfield Sub-basin aquifer.**
- Well positioned to grow notwithstanding regional water constraints.
- Global Water is at forefront of water resource management and involved with developing long-term water solutions.

## Maricopa-Stanfield Sub-basin Aquifer

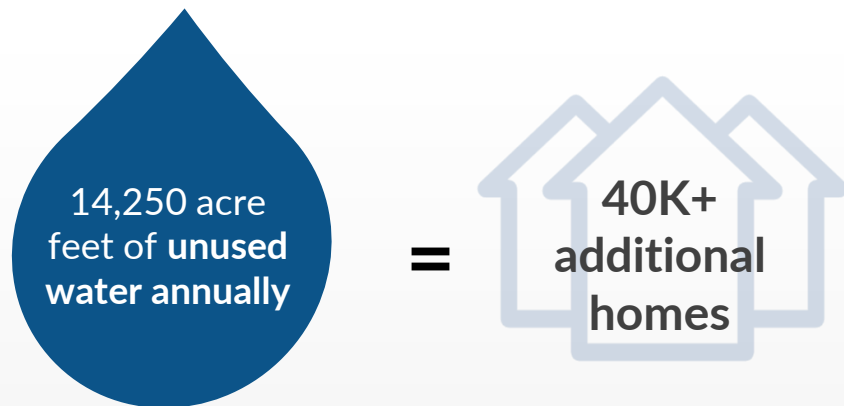


**Maricopa Stanfield Sub-basin aquifer** sits under the City of Maricopa, Arizona, located just south of Phoenix.

At **~23,000** acre-feet of water per year, our Assured Water Supply is **one of the largest in the region.**

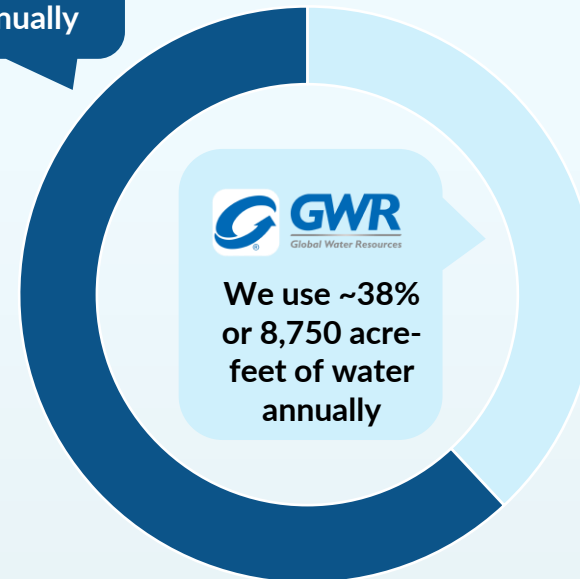
# Ample Underground Water Supply

- **Global Water** uses only ~38% of its allocated portion of the Maricopa Stanfield Sub-basin aquifer's annual capacity.
- 14,250 acre-feet annually of **untapped water** can support **40K additional homes**.



**Maricopa-Stanfield Sub-basin Aquifer**  
Global Water has ~23,000 acre-feet annual capacity

~14,250 acre-feet of **unused water** annually





## Organic Growth

Grow our customer base with addition of new active connections in our service areas.



## New Service Areas

Expand our service areas in Arizona growth corridors.



## Acquisitions

Make accretive acquisitions of water and wastewater utilities.



## Utility Rate Increases

Rate increases from rate cases with Arizona Corporation Commission.

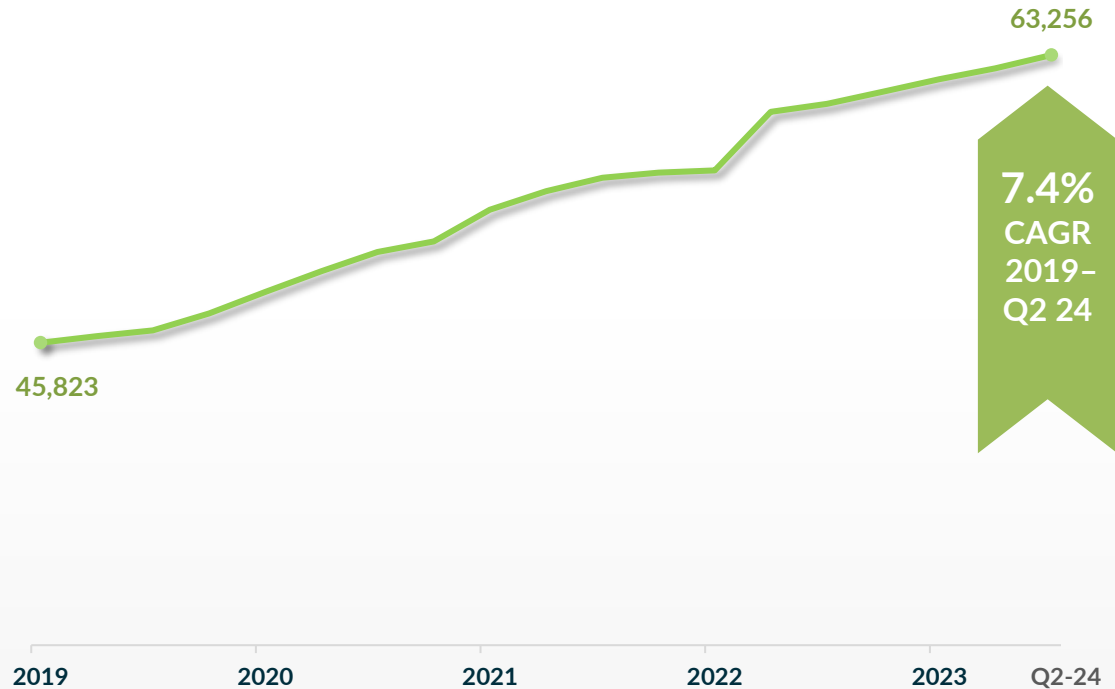


## Organic Growth Continues

Up 4.9% y/y  
at June 30, 2024

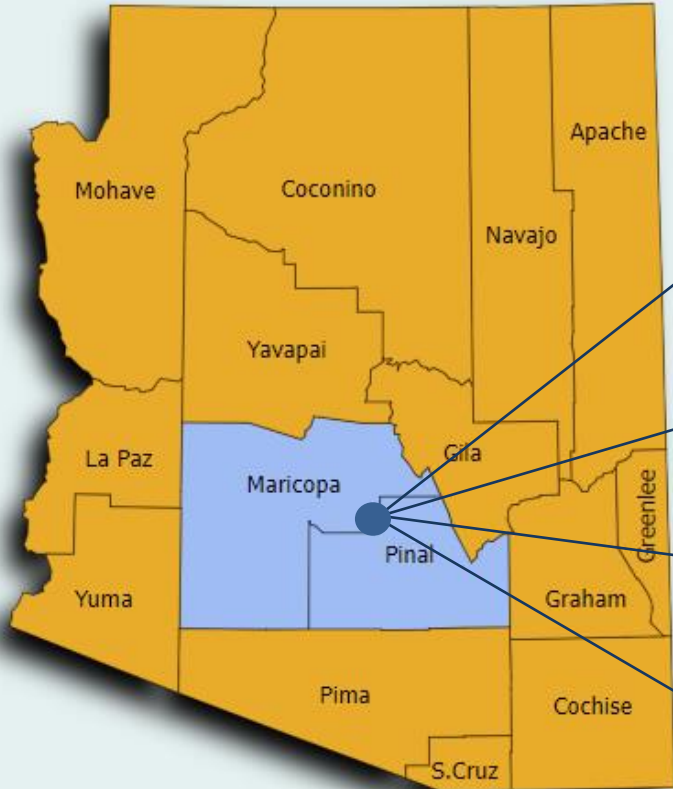
Additional Growth Opportunities through Acquisitions & New Service Areas

### Total Active Connections





# Maricopa/Pinal County Business Boom



### Aerospace & Defense



### Data Centers



### Semiconductor

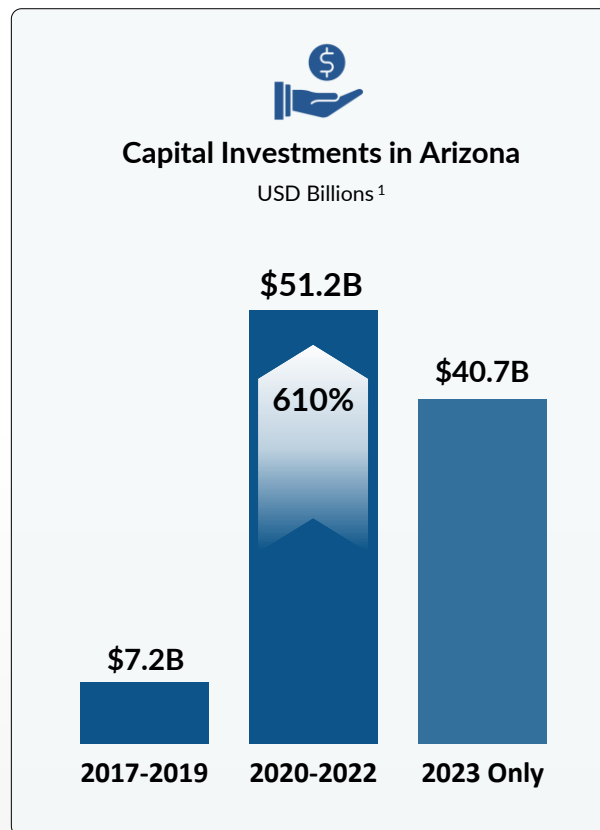


### Automated & EVs





- **\$40.7B** of capital invested in Arizona in 2023.<sup>1</sup>
- **\$51.2B** of capital invested in Arizona for the years 2020 through 2022 was up **610%** vs. preceding three years.<sup>1</sup>
- Major new manufacturing facility announcements by TSMC, Intel and P&G:
  - Dec. 2022: **TSMC** announced opening a second chip plant in AZ, raising its investment in the state to **\$40B**.
  - Intel and Canada's Brookfield Asset Management announced deal to jointly fund Intel fabrication facilities in Chandler, AZ for up to **\$30B**.<sup>2</sup>
  - P&G announced **\$500M** investment for new manufacturing facility at Inland Port, AZ.
- ~478,000 new jobs to be created in AZ by 2032, an annualized growth rate of 1.4%, more than four times the U.S. rate. <sup>3</sup>
- **Arizona has become a central business hub:**
  - Ranked #1 in U.S. for entrepreneurial activity. <sup>4</sup>
  - State individual income tax at 2.5%, among lowest in U.S.<sup>5</sup>
  - Corporate income tax at 4.9%, among lowest in U.S.<sup>4</sup>

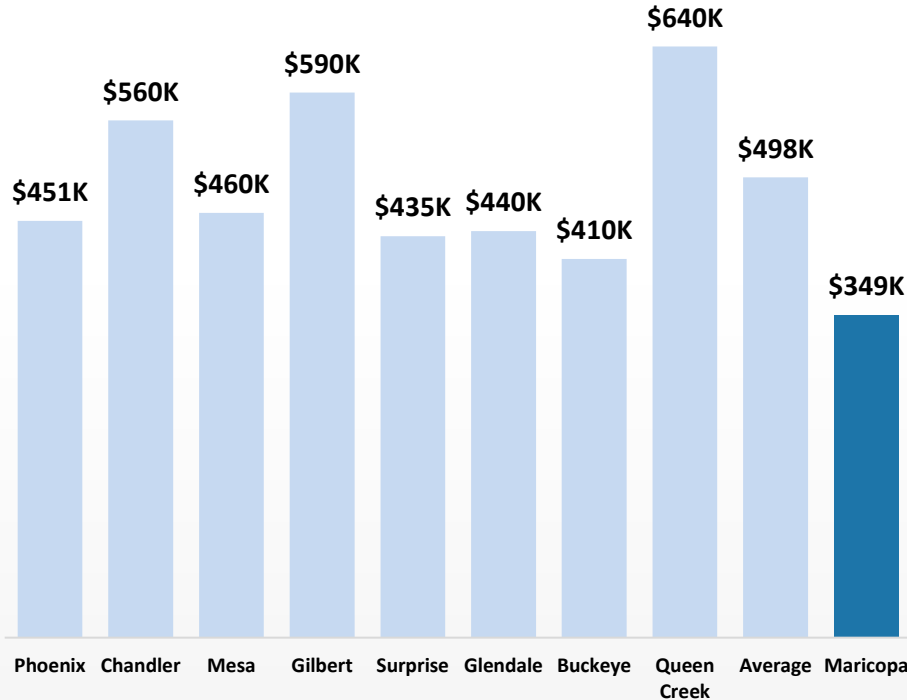




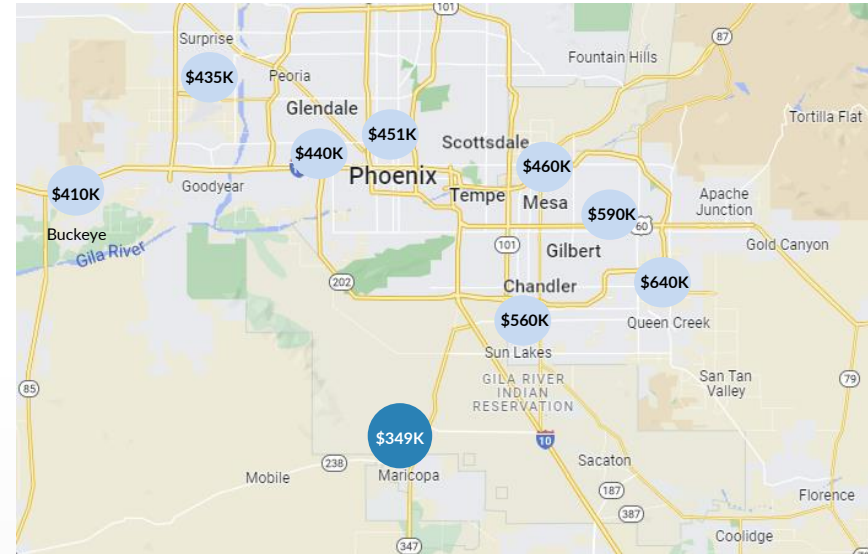


# City of Maricopa's Favorable Median Home Prices

### Median Home Prices June 2024<sup>1</sup>



### Median Home Prices by City



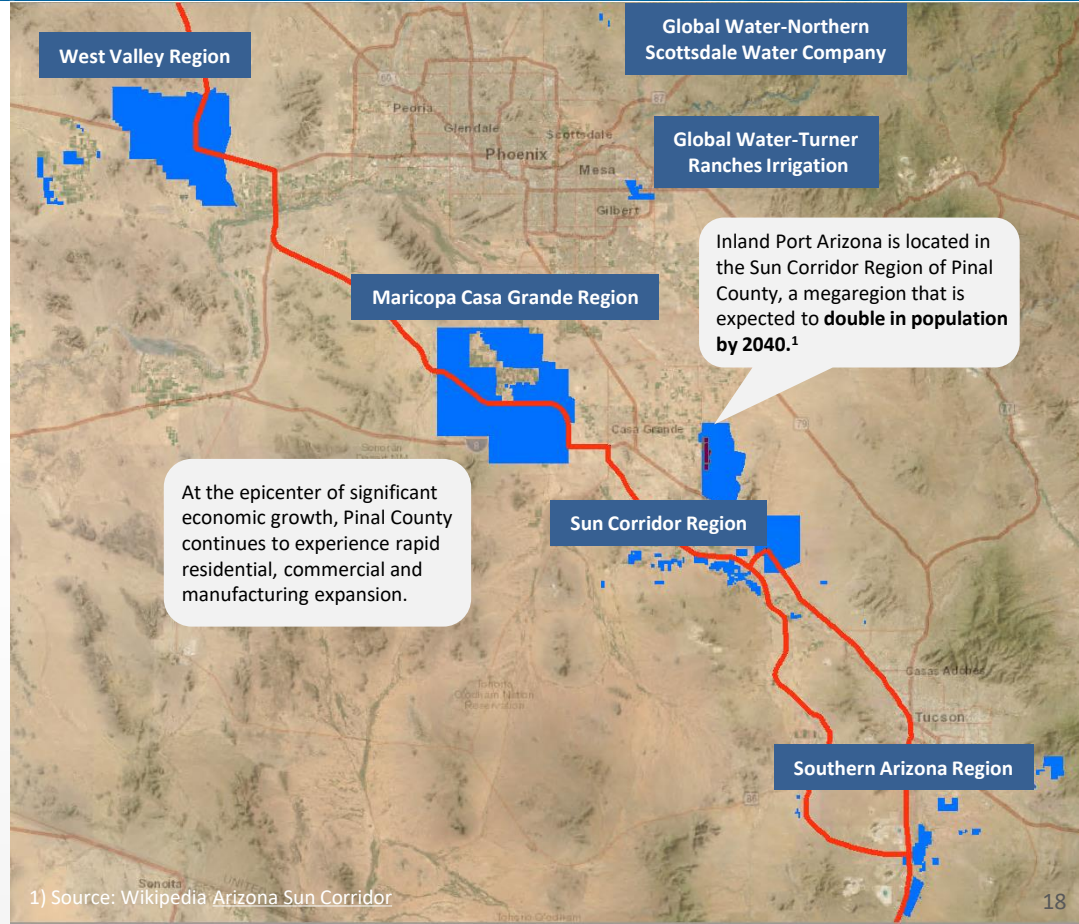
Maricopa's median home price of \$349K is at a 30% discount to the average median home price of \$498K.

1. Redfin.com; All Home Types



# Global Water to Service 30 sq Mile Planning Area & 2,700 Acre Industrial Mega-Site

- Signed agreements with City of Coolidge and Saint Holdings to provide water, wastewater, and recycled water services to Phoenix-area industrial mega-site under development.
- Located southeast of Phoenix in **Sun Corridor** where large-scale economic development projects are underway:
  - 2,700 sq. acre industrial mega-site served by rail and major highways.
  - Also, signed franchise agreement with Coolidge for the surrounding 30 sq. miles of their southern planning area.
  - Received ACC permit for major portion of planning area.
  - Actively engaged with developers to provide utility solutions for new projects in this expansive area, from factories and large offices to retail centers and residential.
- **Nov. 2022:** P&G received approval of an economic development agreement to build a **new manufacturing facility on 427 acres at Inland Port** in our approved service area adjacent to Nikola.
  - Represents **\$500M** investment by P&G.
  - Expected to create **~500 new jobs**.
  - We will work directly with P&G to establish **water, wastewater and recycled water services** for the facility.
  - We are planning to service the facility by 2026.





## Acquired 12 Utilities Since 2017

- Eagletail Water
- Turner Ranches
- Red Rock Water
- Red Rock Wastewater
- Mirabell Water
- Francesca Water
- Tortolita Water
- Lyn-Lee Water
- Twin Hawks
- Rincon
- Las Quintas Serenas
- Farmers Water Company



## Acquisitions added

- 7,670 connections.
- ~60.9 square miles of service area.
- Over \$4 million in annual revenue

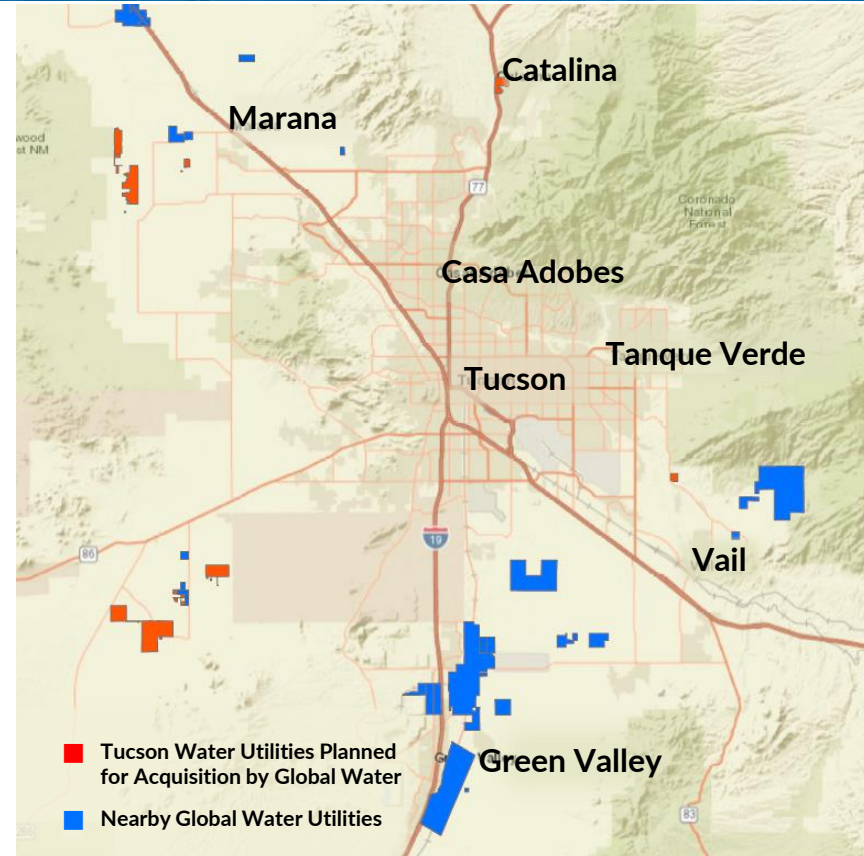


- In preliminary discussions with several other utilities.
- Significant opportunities and need for consolidation in Arizona.
- 300+ investor-owned water & wastewater utilities in the state.<sup>1</sup>

1) Source: Arizona Corporation Commission (ACC) website



- **May 7, 2024:** Agreed to acquire seven systems from the City of Tucson for \$8.4 million in cash.
- Acquisition adds:
  - ~2,200 active water service connections.
  - ~\$7.8M in estimated rate base.
- Brings total connection count in Pima County to ~7,200.
- Plan to upgrade water connections from manually read meters to Smart Meters.
- Anticipate completing acquisition early 2025, subject to ACC approval.



Tucson Water Utilities Planned for Acquisition



Utility Rate Increases

# Rate Case Opportunities



**August 2020:** Filed case for new rates covering 96% of our active service connections.

2022/2023



**Outcome of July 2022 rate case:** Annualized revenue increase of \$2.2 million, fully phased by January 1, 2024.

2024



## Current Rate Case

### Saguaro Region (Pima County)

**June 2024:** The ACC approved a revenue increase totaling ~\$0.4M annually to be phased-in over five periods beginning on July 1, 2024.

**June 2024:** Filed case for Farmers Utility requesting a revenue increase of ~\$1.3M.



2025



## Planned Rate Case

### Santa Cruz-Water & Palo Verde-Wastewater

Planning to file a rate case for our two largest utilities in 2025. Rate case decision anticipated in 2026. <sup>1</sup>



**Farmers rate case** decision anticipated in 2025. <sup>1</sup>

## Southwest Plant Depreciation Deferral Docket

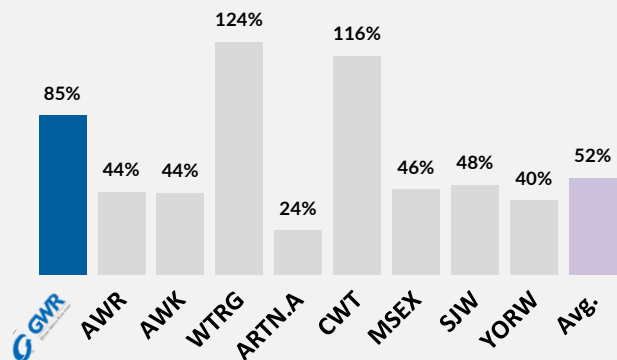
During this docket, it was discovered that in 2007 about \$7.8M of our investment in the SW Plant was prematurely included as "plant in service" for rate-making purposes. We provided this information to the ACC and on July 18, 2024, the ACC approved our application for a monthly bill credit for customers that would be in place until the conclusion of the next rate case for our GW-Palo Verde rate case. The impact of the bill credit reduces revenue earned subsequent to the order by approximately \$570,000 annually.

<sup>1</sup>) Too early to estimate positive revenue impact.

# We Compare Favorably to Our Peers Across Key Metrics

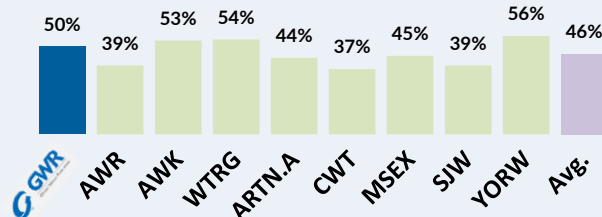
## EBITDA Growth<sup>1,2</sup>

TTM vs FY 2016



## EBITDA Margin<sup>1</sup>

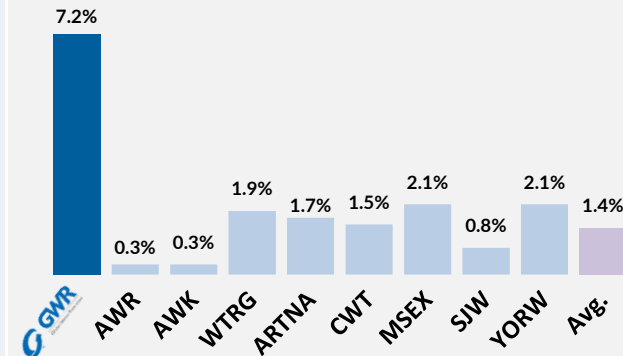
TTM



## Active Connection Growth

5-Year Average

@12/31/2023



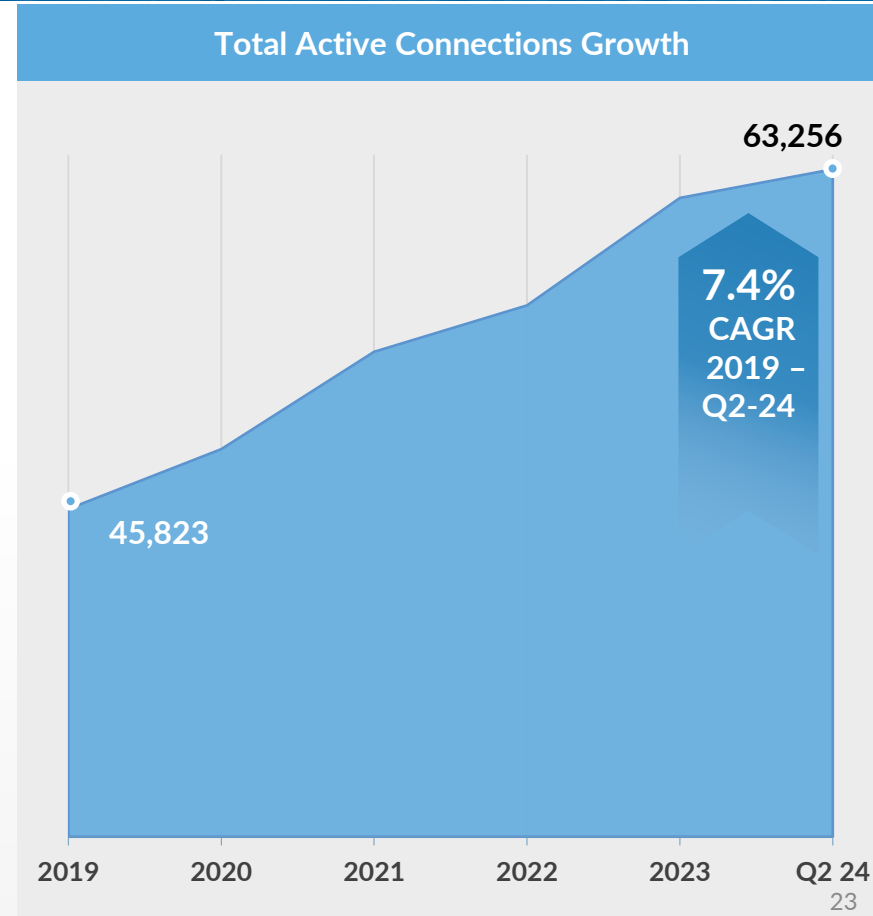
	Global Water Resources (GWR)	American States Water Company (AWR) <sup>3</sup>	American Water Works Company (AWK)	Essential Utilities, Inc. (WTRG)	Artesian Resources Corp. (ARTNA)	California Water Service Group (CWT)	Middlesex Water (MSEX) <sup>3</sup>	SJW (SJW)	The York Water Co. (YORW)	Peer Comp. Average <sup>2</sup>
EBITDA Growth <sup>1,2</sup>	85%	44%	44%	124%	24%	116%	46%	48%	40%	52%
EBITDA Margin <sup>1</sup>	50%	39%	53%	54%	44%	37%	45%	39%	56%	46%
Active Connection Growth 5-Year Avg. <sup>3</sup>	7.2%	0.3%	0.3%	1.9%	1.7%	1.5%	2.1%	0.8%	2.1%	1.4%

## GWR: Strong Adjusted EBITDA Margin and Adjusted EBITDA Growth, and Leading Active Connection Growth vs. Peers

Financial information is based on trailing 12 mo. (TTM) as of 6/30/2024, unless otherwise noted. Sources: Capital IQ & company estimates. EBITDA Growth is TTM at June 30, 2024 compared to full year 2016. The Company's non-GAAP measures, including EBITDA, EBITDA Growth and EBITDA margin, may not be calculated the same way by other companies. Footnote: 1) Adjusted EBITDA is utilized for GWR in the EBITDA Growth and EBITDA Margin calculations. EBITDA, Adj. EBITDA and Adj. EBITDA margin are non-GAAP financial measures. For their definition and reconciliation to GAAP, see "Reconciliation" slide in Appendix. 2) EBITDA growth peer comp average excludes outlier WTRG. 3) Middlesex and American States Water is based on 12/31/23 data.

# Global Water Resources Key Takeaways

- **Pure-play, high growth** water resource management company, focused on conservation.
- **High Connection Growth Rate** – 7.4% CAGR in active service connections from 2019 to Q2 2024.
- **Acquisitions & new service** area platform.
- **Rate Case** opportunities.
- **Exclusive** right to provide service in large service areas.
- **Capacity** to significantly grow customer base with existing water supplies.
- **Highly automated utilities** focused on operational efficiency, technology and future expansion.
- **Strong dividend policy** driving value creation.



# Contact Us

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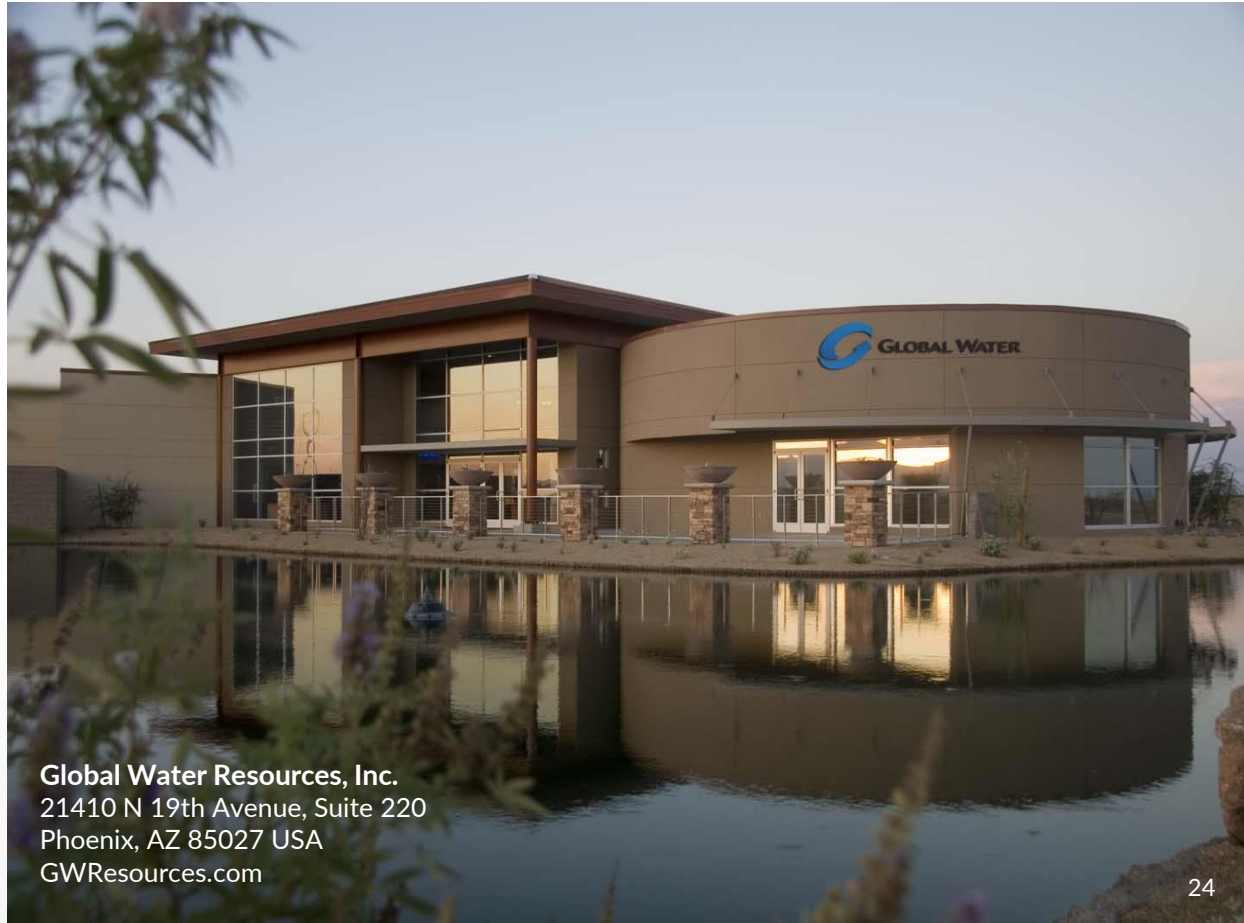
### Investor Relations

Ron Both or Grant Stude

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[GWResources.com](http://GWResources.com)



# Appendix

# Leadership Team



**Ron L. Fleming**  
*President, CEO &  
Director*



**Mike Liebman**  
*CFO & SVP*



**Chris Krygier**  
*Chief Operating  
Officer*



**Joanne Ellsworth**  
*EVP of Corporate  
Affairs*

**20+ years of related management and utility experience**, including project management on numerous large-scale heavy civil infrastructure projects throughout Arizona.

Previously served as Global Water's project manager, general manager, vice president and chief operations officer.

Serves on the board of directors for the National Association of Water Companies, Maricopa Economic Development Alliance and Pinal Partnership where he is the Co-Chair of the Water Resources Committee.

BA, Construction Management, School of Engineering at Northern Arizona University.

**23+ years of finance and management experience.**

10+ years at Global Water raising over \$200 million of capital during that time.

Prior to Global Water, was Sr. Director at Alvarez and Marsal, where he successfully negotiated the restructuring of over \$3 billion in capital and raised \$750 million of new capital for clients.

Certified Public Accountant (CPA).

B.A., Accounting, Northern Arizona University.

**15+ years' experience in operational management, regulatory strategy, and capital deployment** for large projects and transactions, along with multi-state experience and industry knowledge.

Serves as Chairman of Water Utilities Association of Arizona, Arizona's largest consortium of water IOUs.

Earlier held several positions of increasing responsibility at several of Arizona's largest water and wastewater investor-owned utilities.

Certified Management Accountant and CFA charter-holder.

B.S., Economics; MBA, Finance, Arizona State University, W. P. Carey School of Business.

**Joined Global Water in 2011, with 17 years of experience as an attorney**, including representing municipalities regarding economic development, infrastructure financing and construction, condemnation, and zoning.

Member of the Missouri Bar, a graduate of the University of Kansas and the University of Missouri Kansas City – School of Law (UMKC), where she was a member and editor of the UMKC Law Review.

# Consolidated Balance Sheets

Financial information in this and the following slides are presented in thousands (except share and per share amounts). Unaudited.

	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>PROPERTY, PLANT AND EQUIPMENT:</b>		
Land	\$ 2,674	\$ 2,674
Depreciable property, plant and equipment	417,463	414,170
Construction work-in-progress	59,095	48,147
Other	697	697
Less accumulated depreciation	(147,984)	(142,367)
Net property, plant and equipment	331,945	323,321
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	18,148	3,087
Accounts receivable, net	2,848	2,845
Customer payments in-transit	604	543
Unbilled revenue	3,406	2,755
Taxes, prepaid expenses and other current assets	1,874	2,494
Total current assets	26,880	11,724
<b>OTHER ASSETS:</b>		
Goodwill	9,486	10,820
Intangible assets, net	8,573	8,841
Regulatory assets	4,197	2,898
Restricted cash	1,548	1,676
Right-of-use assets	1,753	1,741
Other noncurrent assets	78	74
Total other assets	25,635	26,050
<b>TOTAL ASSETS</b>	<b>\$ 384,460</b>	<b>\$ 361,095</b>

	June 30, 2024	December 31, 2023
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 1,133	\$ 1,027
Accrued expenses	7,168	7,129
Customer and meter deposits	1,596	1,628
Long-term debt, current portion	3,882	3,880
Leases, current portion	655	553
Total current liabilities	14,434	14,217
<b>NONCURRENT LIABILITIES:</b>		
Line of credit	—	2,315
Long-term debt	119,070	101,341
Long-term lease liabilities	1,292	1,370
Deferred revenue - ICFA	19,974	19,656
Regulatory liabilities	5,875	6,076
Advances in aid of construction	116,389	111,529
Contributions in aid of construction, net	39,062	36,409
Deferred income tax liabilities, net	9,083	8,284
Acquisition liabilities	3,013	3,048
Other noncurrent liabilities	8,653	8,230
Total noncurrent liabilities	322,411	298,258
Total liabilities	336,845	312,475
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock, \$0.01 par value, 60,000,000 shares authorized; 24,561,035 and 24,492,918 shares issued as of June 30, 2024 and December 31, 2023, respectively.	240	240
Treasury stock, 343,625 and 317,677 shares at June 30, 2024 and December 31, 2023, respectively.	(2)	(2)
Paid in capital	46,671	47,585
Retained earnings	706	797
Total shareholders' equity	47,615	48,620
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 384,460</b>	<b>\$ 361,095</b>

# Unaudited Consolidated Statements of Operations



	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>REVENUES:</b>				
Water services	\$ 6,668	\$ 6,557	\$ 11,894	\$ 11,396
Wastewater and recycled water services	6,842	6,443	13,226	12,464
Unregulated revenues	—	—	—	2,268
Total revenues	13,510	13,000	25,120	26,128
<b>OPERATING EXPENSES:</b>				
Operations and maintenance	3,485	3,181	6,769	5,970
General and administrative	4,232	4,104	8,357	8,011
Depreciation and amortization	2,996	2,705	5,930	5,360
Total operating expenses	10,713	9,990	21,056	19,341
OPERATING INCOME	2,797	3,010	4,064	6,787
<b>OTHER INCOME (EXPENSE):</b>				
Interest income	266	2	504	7
Interest expense	(1,507)	(1,281)	(3,073)	(2,449)
Allowance for equity funds used during construction	237	216	444	515
Other, net	535	523	1,330	941
Total other expense	(469)	(540)	(795)	(986)
<b>INCOME BEFORE INCOME TAXES</b>	<b>2,328</b>	<b>2,470</b>	<b>3,269</b>	<b>5,801</b>
<b>INCOME TAX EXPENSE</b>	<b>(598)</b>	<b>(731)</b>	<b>(848)</b>	<b>(1,596)</b>
<b>NET INCOME</b>	<b>\$ 1,730</b>	<b>\$ 1,739</b>	<b>\$ 2,421</b>	<b>\$ 4,205</b>
Basic earnings per common share	\$ 0.07	\$ 0.07	\$ 0.10	\$ 0.18
Diluted earnings per common share	\$ 0.07	\$ 0.07	\$ 0.10	\$ 0.17
Dividends declared per common share	\$ 0.08	\$ 0.07	\$ 0.15	\$ 0.15

Weighted average number of common shares used in the determination of:				
Basic	24,199,472	23,958,205	24,187,586	23,914,866
Diluted	24,308,524	24,038,902	24,306,316	24,033,994

Source: Company's Form 10-Q for June 30, 2024 as filed with the SEC.

	Year Ended December 31,	
	2023	2022
<b>REVENUES:</b>		
Water services	\$ 24,860	\$ 20,885
Wastewater and recycled water services	25,382	23,843
Unregulated revenues	2,786	—
Total revenues	53,028	44,728
<b>OPERATING EXPENSES:</b>		
Operations and maintenance	12,669	10,889
General and administrative	16,636	16,130
Depreciation and amortization	11,437	9,890
Total operating expenses	40,742	36,909
OPERATING INCOME	12,286	7,819
<b>OTHER INCOME (EXPENSE):</b>		
Interest income	52	65
Interest expense	(4,882)	(4,759)
Allowance for equity funds used during construction	981	723
Other, net	2,417	2,592
Total other expense	(1,432)	(1,379)
<b>INCOME BEFORE INCOME TAXES</b>	<b>10,854</b>	<b>6,440</b>
<b>INCOME TAX EXPENSE</b>	<b>(2,872)</b>	<b>(934)</b>
<b>NET INCOME</b>	<b>\$ 7,982</b>	<b>\$ 5,506</b>
Basic earnings per common share	\$ 0.33	\$ 0.24
Diluted earnings per common share	\$ 0.33	\$ 0.24
Dividends declared per common share	\$ 0.30	\$ 0.30

Weighted average number of common shares used in the determination of:		
Basic	24,044,950	23,172,733
Diluted	24,129,542	23,332,356

Source: Company's Form 10-K for December 31, 2023 as filed with the SEC.

# Reconciliation of GAAP to Non-GAAP Financial Measures

## Cautionary Statement Regarding Non-GAAP Measures

This presentation contains certain financial measures that are not recognized measures under accounting principles generally accepted in the United States of America ("GAAP"), including EBITDA and adjusted EBITDA. EBITDA is defined for the purposes of this presentation as net income before interest, income taxes, depreciation, and amortization. Adjusted EBITDA is defined as EBITDA excluding the gain or loss related to (i) nonrecurring events; (ii) option expense related to awards made to management; (iii) restricted stock expense related to awards made to employees and the board of directors; (iv) disposal of assets; and (v) ICFA revenue recognition.

Management believes that EBITDA and adjusted EBITDA are useful supplemental measures of our operating performance and provide our investors meaningful measures of overall corporate performance. EBITDA is also presented because management believes that it is frequently used by investment analysts, investors, and other interested parties as a measure of financial performance. Adjusted EBITDA is also presented because management believes that it provides our investors an additional measure of our recurring core business. However, non-GAAP measures do not have a standardized meaning prescribed by GAAP, and investors are cautioned that non-GAAP measures, such as EBITDA and adjusted EBITDA, should not be construed as an alternative to net income or loss or other income statement data (which are determined in accordance with GAAP) as an indicator of our performance or as a measure of liquidity and cash flows. Management's method of calculating EBITDA and adjusted EBITDA may differ materially from the method used by other companies and accordingly, may not be comparable to similarly titled measures used by other companies.

A reconciliation of EBITDA and adjusted EBITDA to net income, the most comparable GAAP measure, is included in the schedules included on this page.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Net Income</b>	\$ 1,730	\$ 1,739	\$ 2,421	\$ 4,205
Income tax expense	598	731	848	1,596
Interest income	(266)	(2)	(504)	(7)
Interest expense	1,507	1,281	3,073	2,449
Depreciation	2,996	2,705	5,930	5,360
<b>EBITDA</b>	<b>6,565</b>	<b>6,454</b>	<b>11,768</b>	<b>13,603</b>
ICFA revenue	-	-	-	(2,268)
Management option expense	-	29	-	72
Gain on disposal of fixed assets	(20)	(54)	(17)	(66)
Restricted stock expense	285	281	483	537
Acquisition gain resulting from regulatory decision	(37)	-	(37)	-
EBITDA adjustments	228	256	429	(1,725)
<b>Adjusted EBITDA</b>	<b>\$ 6,793</b>	<b>\$ 6,710</b>	<b>\$ 12,197</b>	<b>\$ 11,878</b>
<i>Adjusted EBITDA Margin</i>	<i>50 %</i>	<i>52 %</i>	<i>49 %</i>	<i>50 %</i>

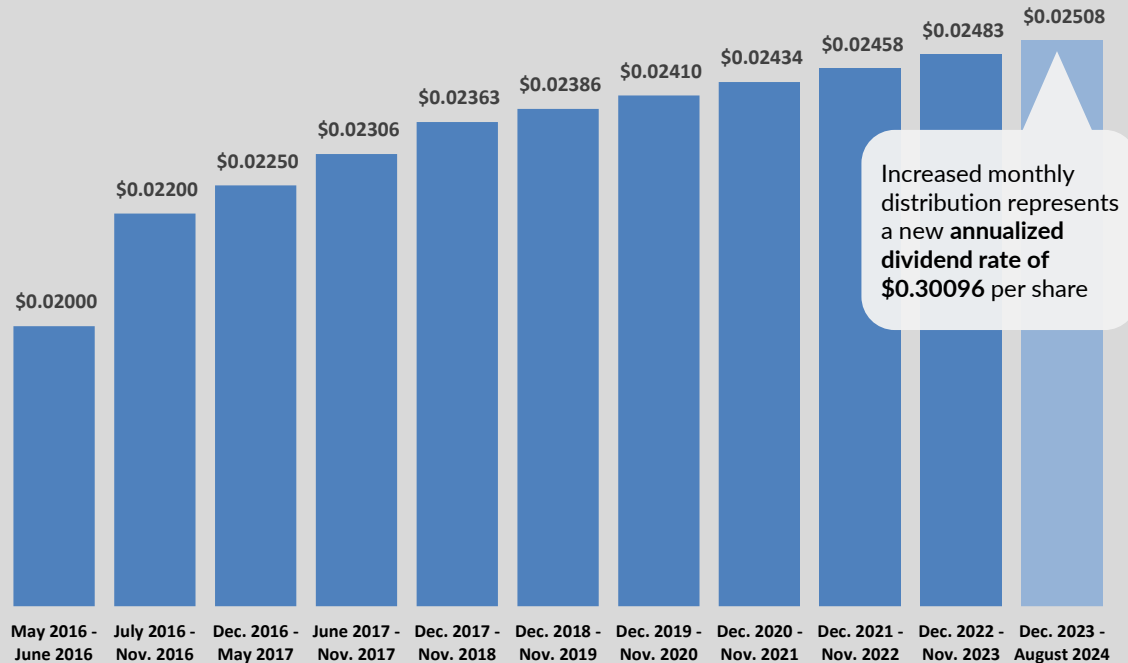
	Twelve Months Ended June 30,	
	2024	2023
<b>Net Income</b>	\$ 6,198	\$ 6,715
Income tax expense	2,124	2,337
Interest income	(549)	(68)
Interest expense	5,506	4,946
Depreciation	12,007	10,480
<b>EBITDA</b>	<b>25,286</b>	<b>24,410</b>
ICFA revenue	(518)	(2,268)
Management option expense	20	156
(Gain) loss on disposal of fixed assets	(16)	(56)
Restricted stock expense	918	1,226
Acquisition gain resulting from regulatory decision	(37)	38
EBITDA adjustments	367	(904)
<b>Adjusted EBITDA</b>	<b>\$ 25,653</b>	<b>\$ 23,506</b>
<i>Adjusted EBITDA Margin</i>	<i>50 %</i>	<i>50 %</i>

	Twelve Months Months Ended December 31,	
	2016	
<b>Net Income</b>	\$ (2,852)	
Income tax expense (benefit)	(1,489)	
Interest income	(18)	
Interest expense	11,866	
Depreciation	6,279	
<b>EBITDA</b>	<b>13,786</b>	
Loss on sale of Willow Valley	54	
Board option expense	648	
Gain on sale of Sonoran acquisition liability	(954)	
Equity investment loss	340	
EBITDA adjustments	88	
<b>Adjusted EBITDA</b>	<b>\$ 13,874</b>	
<i>Adjusted EBITDA Margin</i>	<i>46 %</i>	

## Q2 2024 Financial Results

- **Total active connections:** up 4.9% y/y to 63,256 at June 30, 2024.
- **Regulated revenues:** up 3.9% to \$13.5M.
- **Net income:** \$1.7M or \$0.07 per share.
- **Net income margin:** 12.8%.
- **Adjusted EBITDA:** \$6.8M.<sup>1</sup>
- **~\$33.1M of capital resources:**  
Reflects cash & cash equivalents and full amount available for borrowing under \$15M revolving line of credit.<sup>2</sup>

## Monthly Dividend Growth



1) Adjusted EBITDA is a non-GAAP financial measure. For its definition and reconciliation to GAAP net income margin, see "Reconciliation" slide in Appendix.

2) Total capital resources as of June 30, 2024.

Dividend Payment Date



## Environmental

As a water resource management company, we will always be focused on conservation.

### Operational Platform

- Recycling over one billion gallons/year reduces demand on underground aquifers by 32%.
- All biological waste converted to fertilizer.
- Efficient systems minimize energy usage and carbon footprint.

### Customer Platform

- Automated hourly meter reading provides customers actionable information for water conservation.
- Automated leak detection alerts.
- Conservation rebates rewards customers for using less water.



## Social

### Employee Focus: Training and Safety

- Training and Safety is company's top mandate
- E-mod of 0.93 below industry average of 1.0

### Customer Focus

Surpassed six years since last significant compliance violation.

- **Health:** water quality is paramount, meeting all compliance standards (EPA, ADEQ, others)
- **Service:** dedicated call center staff, high customer service scores, online customer portal allows automated ebills/epay.
- **Assistance:** expanded customer assistance program and provided over \$120,000 in assistance to customers in 2020, over \$80,000 in 2021, more than \$105,000 in 2022 and approximately \$30,000 in 2023.

**Community Focus:** We are an integral part of the community we serve, supporting sponsorships, partnerships and donations.



## Governance

- **Board of Directors:** Highly qualified, relevant experience, majority independent.
- Management incentivized to be aligned with the interests of shareholders and other stakeholders.
- Audited by a Big 4 accounting firm.
- As a U.S. public company, we take the requirements to maintain effective internal controls seriously.
- 2022 ESG Report available on our website in the investors section.

## Our Operational Foundation is Based on Four Core Beliefs

- **Water is a scarce commodity** that must be conserved and actively managed.
- **Recycled water is a renewable resource** that must be used to the benefit of our customers and environment.
- **100% compliance with all regulatory requirements** is paramount and is in the public interest.
- **True success requires a partnership** with our customers and other stakeholders.

