

## **Bell, John (DPUC)**

---

**From:** Donna MacRae <dmacrae@riag.ri.gov>  
**Sent:** Monday, June 25, 2018 2:31 PM  
**To:** Gary.Prettyman@suez-na.com; Elda.gil@suez-na.com; Debra.visconti@suez-na.com; Christopher.jacobs@suez-na.com; bfitzgerald@cullenanddykman.com; ssaha@CullenandDykman.com  
**Cc:** Christy Hetherington; Joel munoz; Donna MacRae; Bell, John (DPUC); Mancini, Al (DPUC); Smith, Pat (DPUC); Spirito, John (DPUC); rsmithla@aol.com; mkahal@exeterassociates.com; jmierzwa@exeterassociates.com; roxiemccullar@consultant.com; mikeursillo@utrlaw.com; mdavis@mdalegal.com; marybali@aol.com; Massaro, Luly (PUC); George, Linda (PUC); ColbyCamara, Sharon (PUC)  
**Subject:** [EXTERNAL] : Docket No. 4800 – Suez Water Rhode Island – Rate Filing  
**Attachments:** Division Response to Suez Water First set of DRs to Division.docx; Division Data Responses 1 Attachments.zip

Attached please find the Division of Public Utilities and Carriers Responses to Suez Water Rhode Island, Inc.'s First Set of Data Requests. Any problems with viewing said attachments, please let me know.

Thank you and have a great day!

**Donna MacRae-Daigle | Legal Secretary**  
**PUC Unit, Civil Division**

The State of Rhode Island | Office of the Attorney General  
150 South Main Street | Providence, RI - 02903  
Office: +1 (401) 274-4400 | Ext: 2394  
[dmacrae@riag.ri.gov](mailto:dmacrae@riag.ri.gov) | [www.riag.ri.gov](http://www.riag.ri.gov) [3m.com] |



Attachments

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**FIRST SET OF DATA REQUESTS TO DIVISION  
DOCKET 4800**

**Request No.:** SWRI-001

**Requesting Party:** SUEZ Water Rhode Island Inc.

**Information Requested of:** Rhode Island Division of Public Utilities and Carriers Staff

**Date of Request:** 6/11/2018

**Response Due Date:** 6/25/2018

**Subject:** Excel workpapers

**Response Provided By:** Ralph C. Smith, Matt Kahal, Roxie McCullar, Jerome Mierzwa

**Date of Reply:** 6/25/2018

**Question:**

Please provide all Division of Public Utilities and Carriers Staff workpapers, materials, and excel files (in live electronic format with formulae intact) associated with Docket No. 4800: SUEZ Water Rhode Island - Application to Change Rate Schedules.

**Response:**

The following files have been provided as e-mail attachments

Witness Ralph Smith

RS-SWRI-001

Witness Roxie McCullar

RM-SWRI-001 File1

RM-SWRI-001 File 2

RM-SWRI-001 File 3

Witness Jerome Mierzwa

JM-SWRI-001

Witness Mathew Kahal

MK-SWRI-001 File 1

MK-SWRI-001 File 2

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MK-SWRI-001 File 3  
MK-SWRI-001 File 4  
MK-SWRI-001 File 5  
MK-SWRI-001 File 6  
MK-SWRI-001 File 7  
MK-SWRI-001 File 8  
MK-SWRI-001 File 9  
MK-SWRI-001 File 10a  
MK-SWRI-001 File 10b  
MK-SWRI-001 File 11  
MK-SWRI-001 File 12  
MK-SWRI-001 File 13  
MK-SWRI-001 File 14  
MK-SWRI-001 File 15

Files provided by: Ralph Smith, Roxie McCullar, Jerome Mierzwa and Mathew Kahal.

**RS-SWRI-001**

**Excel File**

**Provided by E-mail Only**

**RM-SWRI-001 File1**

**Excel File**

**Provided by E-mail Only**

**RM-SWRI-001 File 2**

**Excel File**

**Provided by E-mail Only**

**RM-SWRI-001 File 3**

**Excel File**

**Provided by E-mail Only**

**JM-SWRI-001**

**Excel File**

**Provided by E-mail Only**

# **MK-SWRI-001 File 1**

90 Days Ago 0.38 0.47 1.79 1.9

1 Strong Buy 2 Buy 3 Hold 4 Underperform 5 Sell

EPS Revisions	Current Qtr. (Mar 2018)	Next Qtr. (Jun 2018)	Current Year (2018)	Next Year (2019)
Up Last 7 Days	N/A	N/A	N/A	N/A
Up Last 30 Days	N/A	N/A	N/A	1
Down Last 7 Days	N/A	N/A	N/A	N/A
Down Last 30 Days	N/A	N/A	N/A	N/A

**Analyst Price Targets (4) >**

Average 47.25



**Upgrades & Downgrades >**

- Initiated UBS: to Sell 3/8/2018
- ↓ Downgrade Wells Fargo: Market Perform to Underperform 12/18/2017
- ↑ Upgrade Janney Capital: to Neutral 8/5/2016
- ↑ Upgrade Ladenburg Thalmann: to Neutral 5/11/2016
- Initiated Barclays: to Underweight 1/4/2016
- ↓ Downgrade Janney Capital: to Sell 10/16/2015

Growth Estimates	AWR	Industry	Sector	S&P500
Current Qtr.	N/A	N/A	N/A	0.42
Next Qtr.	2.10%	N/A	N/A	0.38
Current Year	1.10%	N/A	N/A	0.20
Next Year	6.10%	N/A	N/A	0.10
Next 5 Years (per annum)	4.00%	N/A	N/A	0.12
Past 5 Years (per annum)	4.59%	N/A	N/A	N/A

More Upgrades & Downgrades

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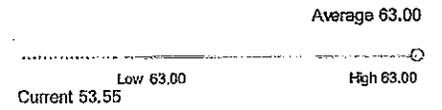
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90 Days Ago	0.23	0.75	2.52	2.73
<b>EPS Revisions</b>	Current Qtr. (Mar 2018)	Next Qtr. (Jun 2018)	Current Year (2018)	Next Year (2019)
Up Last 7 Days	N/A	N/A	N/A	N/A
Up Last 30 Days	N/A	N/A	N/A	N/A
Down Last 7 Days	N/A	N/A	N/A	N/A
Down Last 30 Days	N/A	N/A	N/A	N/A

<b>Growth Estimates</b>	SJW	Industry	Sector	S&P500
Current Qtr.	5.60%	N/A	N/A	0.42
Next Qtr.	-15.60%	N/A	N/A	0.38
Current Year	2.40%	N/A	N/A	0.20
Next Year	7.90%	N/A	N/A	0.10
Next 5 Years (per annum)	14.00%	N/A	N/A	0.12
Past 5 Years (per annum)	31.04%	N/A	N/A	N/A

- 1 Strong Buy
- 2 Buy
- 3 Hold
- 4 Underperform
- 5 Sell

**Analyst Price Targets (1) >**



**Upgrades & Downgrades >**

- ↑ Upgrade Janney Capital: Neutral to Buy 7/28/2017
- ↑ Upgrade Baird: to Outperform 2/22/2016
- ↓ Downgrade Baird: to Neutral 3/25/2015
- ↑ Upgrade Baird: to Outperform 7/16/2014
- ↓ Downgrade Janney Capital: to Neutral 8/6/2013
- ↓ Downgrade Brean Capital: to Hold 8/2/2013

More Upgrades & Downgrades



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4/15/2018

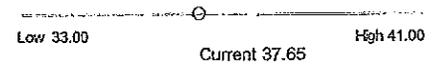
CWT 37.65 0.55 1.48% : California Water Service Group - Yahoo Finance

60 Days Ago	0.07	0.37	1.42	1.5
90 Days Ago	0.07	0.37	1.42	1.5

- 1 Strong Buy
- 2 Buy
- 3 Hold
- 4 Underperform
- 5 Sell

**Analyst Price Targets (5) >**

Average 36.60



EPS Revisions	Current Qtr. (Mar 2018)	Next Qtr. (Jun 2018)	Current Year (2018)	Next Year (2019)
Up Last 7 Days	N/A	N/A	N/A	N/A
Up Last 30 Days	1	2	N/A	N/A
Down Last 7 Days	N/A	N/A	N/A	N/A
Down Last 30 Days	N/A	N/A	N/A	N/A

**Upgrades & Downgrades >**

- ↑ Upgrade Wells Fargo: Underperform to Market Perform 4/3/2018
- ↑ Upgrade Hilliard Lyons: Underperform to Neutral 3/26/2018
- Initiated UBS: to Sell 3/8/2018
- ↓ Downgrade Wells Fargo: to Underperform 2/24/2017
- Initiated Macquarie: to Neutral 1/18/2017
- ↓ Downgrade Barclays: to Underweight 10/28/2016

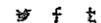
Growth Estimates	CWT	Industry	Sector	S&P 500
Current Qtr.	150.00%	N/A	N/A	0.42
Next Qtr.	-5.10%	N/A	N/A	0.38
Current Year	1.40%	N/A	N/A	0.20
Next Year	5.60%	N/A	N/A	0.10
Next 5 Years (per annum)	9.80%	N/A	N/A	0.12
Past 5 Years (per annum)	2.50%	N/A	N/A	N/A

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4/15/2018

WTR 33.41 0.09 0.27% : Aqua America, Inc. - Yahoo Finance

60 Days Ago	0.29	0.38	1.44	1.54
90 Days Ago	0.29	0.38	1.44	1.54

1 Strong Buy    2 Buy    3 Hold    4 Underperform    5 Sell

**Analyst Price Targets (8) >**

Average 36.88



EPS Revisions	Current Qtr. (Mar 2018)	Next Qtr. (Jun 2018)	Current Year (2018)	Next Year (2019)
Up Last 7 Days	N/A	N/A	N/A	N/A
Up Last 30 Days	N/A	N/A	N/A	N/A
Down Last 7 Days	N/A	N/A	N/A	N/A
Down Last 30 Days	N/A	N/A	N/A	N/A

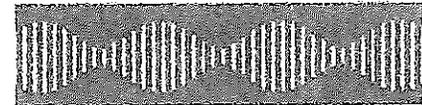
**Upgrades & Downgrades >**

Initiated	UBS: to Neutral	3/8/2018
↓ Downgrade	Wells Fargo: Outperform to Market Perform	2/26/2018
↑ Upgrade	Hilliard Lyons: Underperform to Neutral	12/21/2017
↑ Upgrade	Wells Fargo: Market Perform to Outperform	10/19/2017
↑ Upgrade	Barclays: to Overweight	3/17/2017
Initiated	Baird: to Neutral	10/14/2016

Growth Estimates	WTR	Industry	Sector	S&P 500
Current Qtr.	3.60%	N/A	N/A	0.42
Next Qtr.	5.90%	N/A	N/A	0.38
Current Year	3.70%	N/A	N/A	0.20
Next Year	6.40%	N/A	N/A	0.10
Next 5 Years (per annum)	5.00%	N/A	N/A	0.12
Past 5 Years (per annum)	6.82%	N/A	N/A	N/A

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4/15/2018

MSEX 39.01 -0.50 -1.27% : Middlesex Water Company - Yahoo Finance

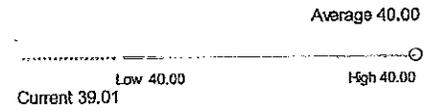
90 Days Ago 0.3 0.4 1.71 1.78 **1 Strong Buy** **2 Buy** **3 Hold** **4 Under-perform** **5 Sell**

EPS Revisions	Current Qtr. (Mar 2018)	Next Qtr. (Jun 2018)	Current Year (2018)	Next Year (2019)
Up Last 7 Days	N/A	N/A	N/A	N/A
Up Last 30 Days	N/A	N/A	1	N/A
Down Last 7 Days	N/A	N/A	N/A	N/A
Down Last 30 Days	N/A	N/A	N/A	N/A

Growth Estimates	MSEX	Industry	Sector	S&P500
Current Qtr.	N/A	N/A	N/A	0.42
Next Qtr.	15.20%	N/A	N/A	0.38
Current Year	13.00%	N/A	N/A	0.20
Next Year	2.60%	N/A	N/A	0.10
Next 5 Years (per annum)	2.70%	N/A	N/A	0.12
Past 5 Years (per annum)	7.72%	N/A	N/A	N/A

**Analyst Price Targets (1) >**



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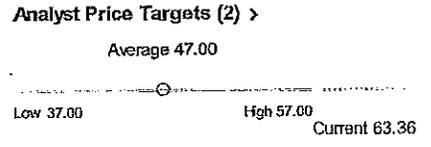
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90 Days Ago	0	0	2.2	2.32	1 Strong Buy	2 Buy	3 Hold	4 Under-perform	5 Sell
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EPS Revisions	Current Qtr. (Mar 2018)	Next Qtr. (Jun 2018)	Current Year (2018)	Next Year (2019)
Up Last 7 Days	N/A	N/A	N/A	N/A
Up Last 30 Days	N/A	N/A	N/A	N/A
Down Last 7 Days	N/A	N/A	N/A	N/A
Down Last 30 Days	N/A	N/A	N/A	N/A

Growth Estimates	CTWS	Industry	Sector	S&P 500
Current Qtr.	5.60%	N/A	N/A	0.42
Next Qtr.	5.50%	N/A	N/A	0.38
Current Year	-4.00%	N/A	N/A	0.20
Next Year	6.00%	N/A	N/A	0.10
Next 5 Years (per annum)	6.00%	N/A	N/A	0.12
Past 5 Years (per annum)	8.60%	N/A	N/A	N/A



- Upgrades & Downgrades >**
- Initiated UBS: to Neutral 3/8/2018
  - Initiated Barclays: to Equal-Weight 9/6/2016
  - ↑ Upgrade Wells Fargo: to Outperform 5/15/2015
  - ↓ Downgrade Hilliard Lyons: to Long-Term Buy 1/21/2014
  - Initiated Hilliard Lyons: to Buy 8/26/2013
  - Initiated Hilliard Lyons: to Buy 8/15/2013

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4/15/2018

YORW 31.50 -0.20 -0.63% : The YorkWater Company - Yahoo Finance

60 Days Ago	0	0	1	1.05	1 Strong Buy	2 Buy	3 Hold	4 Underperform	5 Sell
90 Days Ago	0	0	1	1.05					

**Analyst Price Targets (1) >**

EPS Revisions	Current Qtr. (Mar 2018)	Next Qtr. (Jun 2018)	Current Year (2018)	Next Year (2019)
Up Last 7 Days	N/A	N/A	N/A	N/A
Up Last 30 Days	N/A	N/A	N/A	N/A
Down Last 7 Days	N/A	N/A	N/A	N/A
Down Last 30 Days	N/A	N/A	N/A	N/A

Low 27.00 High 27.00

**Upgrades & Downgrades >**

- ↓ Downgrade Hilliard Lyons: to Underperform 4/22/2016
- ↑ Upgrade Hilliard Lyons: to Neutral 3/12/2015
- ↓ Downgrade Hilliard Lyons: to Underperform 12/30/2014

Growth Estimates	YORW	Industry	Sector	S&P 500
Current Qtr.	10.00%	N/A	N/A	0.42
Next Qtr.	4.30%	N/A	N/A	0.38
Current Year	-1.00%	N/A	N/A	0.20
Next Year	10.00%	N/A	N/A	0.10
Next 5 Years (per annum)	4.90%	N/A	N/A	0.12
Past 5 Years (per annum)	8.00%	N/A	N/A	N/A

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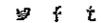
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AWK 80.86 0.21 0.26% : American Water Works Company, I - Yahoo Finance

60 Days Ago	0.54	0.84	3.28	3.53
90 Days Ago	0.57	0.83	3.29	3.54

1 Strong Buy  
2 Buy  
3 Hold  
4 Underperform  
5 Sell

**Analyst Price Targets (12) >**

EPS Revisions	Current Qtr. (Mar 2018)	Next Qtr. (Jun 2018)	Current Year (2018)	Next Year (2019)
Up Last 7 Days	N/A	N/A	N/A	N/A
Up Last 30 Days	1	1	2	N/A
Down Last 7 Days	N/A	N/A	N/A	N/A
Down Last 30 Days	N/A	N/A	N/A	N/A

Average 91.04  
Low 82.00 High 110.00  
Current 80.86

**Upgrades & Downgrades >**

Growth Estimates	AWK	Industry	Sector	S&P500
Current Qtr.	3.80%	N/A	N/A	0.42
Next Qtr.	13.70%	N/A	N/A	0.38
Current Year	7.50%	N/A	N/A	0.20
Next Year	7.60%	N/A	N/A	0.10
Next 5 Years (per annum)	8.20%	N/A	N/A	0.12
Past 5 Years (per annum)	12.73%	N/A	N/A	N/A

↑ Upgrade HSBC: Hold to Buy 3/23/2018  
Initiated UBS: to Buy 3/8/2018  
↑ Upgrade Wells Fargo: Market Perform to Outperform 2/26/2018  
↓ Downgrade Bank of America: Buy to Neutral 1/11/2018  
↓ Downgrade Guggenheim: Buy to Neutral 1/2/2018  
↓ Downgrade Janney Capital: Buy to Neutral 11/3/2017

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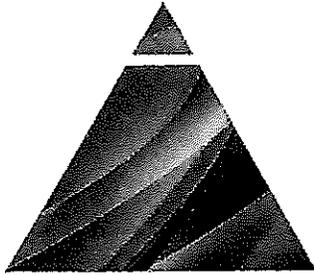
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# **MK-SWRI-001 File 2**





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- \* Earnings Calendar

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- \* Key Company Metrics
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- \* Price and EPS Surprise
- \* Fundamentals Chart
- \* Earnings Calendar
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**Options**

- \* Earnings Calendar
- \* Earnings Announcements

**Access Zacks Data Free**

**California Water Service Group Holding (CWT)**  
(Real Time Quote from BATS)

**\$37.70 USD**

+0.60 (1.62%)

Updated Apr 13, 2018 03:58 PM ET

Add to portfolio Trades from \$1

**Zacks Rank:**  
3-Hold

**Style Score:**  
D Value | D Growth | F Momentum | VGM

**Industry Rank:**  
Bottom 16% (222 out of 265)

Industry: Utility - Water Supply

**Quote Overview** **Ranked Stocks**

Stock Activity	Key Earnings Data
Open: 37.15	Earnings ESP: 0.00%
Day Low: 37.15	Most Accurate Est: 0.04
Day High: 37.75	Current Qtr Est: 0.04
52 Wk Low: 32.75	Current Yr Est: 1.42
52 Wk High: 46.15	Exp Earnings Date: *BMO/4/26/18
Avg. Volume: 354,457	Prior Year EPS: 1.40
Market Cap: 1.81 B	Exp EPS Growth (3-5yr): 6.00%
Dividend: 0.75 (1.99%)	Forward PE: 26.44
Beta: 0.65	PEG Ratio: 4.41

Utilities » Utility - Water Supply

\*BMO = Before Market Open \*AMC = After Market Close

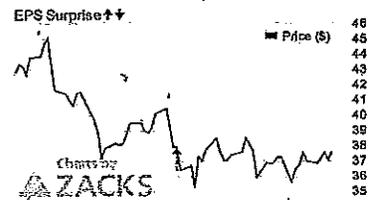
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**VectorVest**

**Price and EPS Surprise Chart**

1 Month | 3 Months | YTD



Interactive Chart | Fundamental Chart

**Research Report For CWT**

All Zacks' Analyst Reports »

**News For CWT**

- Zacks News for CWT
- Other News for CWT

California Water's Unit Files for Rate Hike to Raise Revenue  
01/08/18-7:44AM EST Zacks

SABESP (SBS) Q3 Earnings Beat, Rise Y/Y on Falling Costs  
11/15/17-6:21AM EST Zacks

CWT: What are Zacks experts saying now?  
Zacks Private Portfolio Services

Invest in Water Before It's Too Late: Stocks in Focus  
09/29/17-10:34AM EST Zacks

Should You Add Connecticut Water (CTWS) to Your Portfolio?  
08/17/17-6:50AM EST Zacks

American Water Works (AWK) Q2 Earnings & Sales Lag...  
08/03/17-7:23AM EST Zacks

More Zacks News for CWT

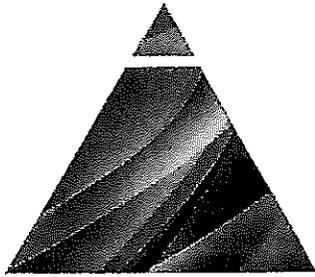
PowerShares Water Resources ETF: Designed For Traders, NOT Investors  
12/14/17-11:41AM EST Seeking Alpha

California Water Service Group Schedules First Quarter 2018

**Billion Dollar Secret**







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\* Analyst Estimate History  
\* Analyst Estimate History  
\* Analyst Estimate History

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\* Analyst Report History

**Options**

\* Analyst Report History  
\* Analyst Report History

**Access Zacks Data Feed**

**Middlesex Water Company (MSEX)**  
(Real Time Quote from BATS)  
**\$39.01 USD**  
-0.46 (-1.16%)  
Updated Apr 13, 2018 03:58 PMET

Add to portfolio Trades from

Zacks Rank:  1  2  3  4  5

Style Scores:  
D Value | C Growth | D Momentum |  VGM

Industry Rank:  
Bottom 16% (222 out of 265)

Industry: Utility - Water Supply

**Quote Overview** **Zacks Ranked Stocks**

Stock Activity	Key Earnings Data		
Open	39.67	Earnings ESP	0.00%
Day Low	38.87	Most Accurate Est	0.27
Day High	39.71	Current Qtr Est	0.27
52 Wk Low	32.23	Current Yr Est	1.55
52 Wk High	46.74	Exp Earnings Date	5/3/18
Avg. Volume	70,800	Prior Year EPS	1.38
Market Cap	637.89 M	Exp EPS Growth (3-5yr)	NA
Dividend	0.89 ( 2.29%)	Forward PE	25.17
Beta	0.43	PEG Ratio	NA

Utilities » Utility - Water Supply

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**News For MSEX**

- Zacks News for MSEX
- Other News for MSEX

Middlesex Water (MSEX) Gets Nod to Raise Rates by 7.2%  
03/29/18-10:22AM EST Zacks

Middlesex Water Files for Rate Hike to Recover Expenses  
10/12/17-9:00AM EST Zacks

MSEX: What are Zacks experts saying now?  
Zacks Private Portfolio Services

Middlesex Water Continues RENEW Program, to Invest \$10M  
06/01/17-3:00PM EST Zacks

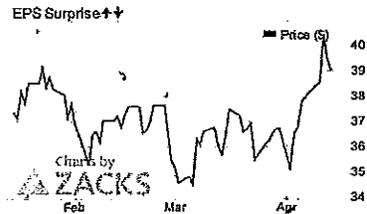
Utility Industry Stock Outlook - June 2013  
06/18/13-12:00AM EST Zacks

More Zacks News for MSEX  
First Trust Water ETF: Water For Traditional Indexers - Update  
04/11/18-10:02AM EST Seeking Alpha

First Trust Water ETF - Water For Traditional Indexers - Update  
04/11/18-9:27AM EST Seeking Alpha

Bullish Two Hundred Day Moving Average Cross - MSEX  
04/11/18-3:20AM EST Energy Stock Channel

**Price and EPS Surprise Chart**



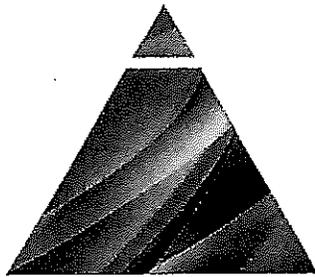
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**American States Water Company (AWR)**  
(Real Time Quote from BATS)  
**\$53.24** USD  
+0.58 (1.10%)  
Updated Apr 13, 2018 03:58 PMET

Add to port

**Zacks Rank:**  
3-Hold

**Style Scores:**  
F Value | D Growth | D Momentum | VGM

**Industry Rank:**  
Bottom 16% (222 out of 265)

**Industry:** Utility - Water Supply

**Quote Overview** **Ranked Stocks** **Enter Symbol**

Stock Activity	Key Earnings Data		
Open	52.75	Earnings ESP	0.00%
Day Low	52.72	Most Accurate Est	0.34
Day High	53.31	Current Qtr Est	0.34
52 Wk Low	43.08	Current Yr Est	1.78
52 Wk High	60.00	Exp Earnings Date	5/1/18
Avg. Volume	298,594	Prior Year EPS	1.71
Market Cap	1.95 B	Exp EPS Growth (3-5yr)	5.00%
Dividend	1.02 (1.92%)	Forward PE	29.95
Beta	0.38	PEG Ratio	5.99

Utilities » Utility - Water Supply

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**News For AWR**

- Zacks News for AWR
- Other News for AWR

**Why Is American States Water (AWR) Down 4.2% Since its Last...**  
03/28/18-9:22AM EST Zacks

**Here's Why You Should Dump Aqua America From Your Portfolio**  
03/22/18-10:29AM EST Zacks

**AWR: What are Zacks experts saying now?**  
Zacks Private Portfolio Services

**Dive Into These ETFs & Stocks on World Water Day**  
03/22/18-8:55AM EST Zacks

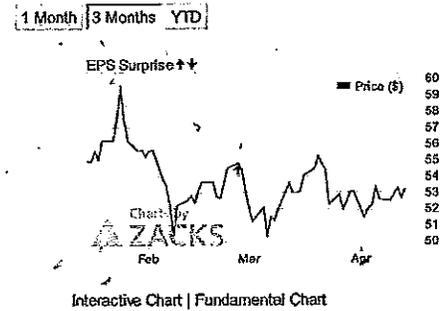
**Consolidated Water (CWCO) Lags on Q4 Earnings, Revenues**  
03/19/18-1:32PM EST Zacks

**Consolidated Water Hits a 52-Week High on Expansion Plans**  
03/16/18-9:04AM EST Zacks

**More Zacks News for AWR**

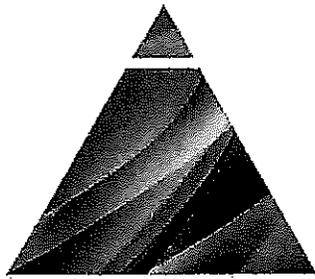
- Valuation Dashboard: Utilities - Update  
04/09/18-9:22AM EST Seeking Alpha
- Retirement Strategy: A Fate Worse Than Death?  
04/03/18-8:03AM EST Seeking Alpha

**Price and EPS Surprise Chart**



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**American Water Works (AWK)**  
(Real Time Quote from BATS)  
**\$80.87 USD**  
+0.20 (0.25%)  
Updated Apr 13, 2018 03:58 PMET

Add to portfolio

Zacks Rank:

Style Scores: D Value | B Growth | A Momentum |  VGM

Industry Rank: Bottom 16% (222 out of 265)

Industry: Utility - Water Supply

**Quote Overview**

Stock Activity	Key Earnings Data
Open: 81.04	Earnings ESP: 0.62%
Day Low: 80.65	Most Accurate Est: 0.55
Day High: 81.58	Current Qtr Est: 0.54
52 Wk Low: 74.63	Current Yr Est: 3.26
52 Wk High: 92.37	Exp Earnings Date: 5/2/18
Avg. Volume: 931,992	Prior Year EPS: 3.03
Market Cap: 14.44 B	Exp EPS Growth (3-5yr): 7.47%
Dividend: 1.66 (2.05%)	Forward PE: 24.80
Beta: 0.16	PEG Ratio: 3.32

Utilities » Utility - Water Supply

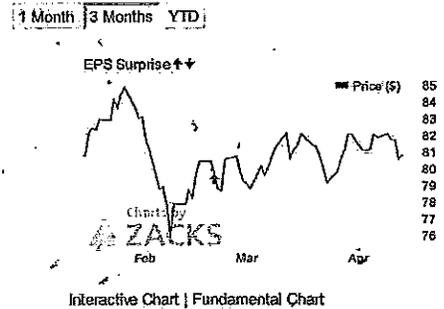
**Research Reports For AWK**

All Zacks' Analyst Reports »

**News For AWK**

- Zacks News for AWK
  - Other News for AWK
- American Water to Expand Homeowner Services Via Acquisition  
04/12/18-9:56AM EST Zacks
- Southern Company to Divest Pivotal Home Solutions for \$365M  
04/12/18-9:28AM EST Zacks
- AWK: What are Zacks experts saying now?  
Zacks Private Portfolio Services
- American Water's Unit Buys City of Farmington Water System  
04/09/18-3:42AM EST Zacks
- Middlesex Water (MSEX) Gets Nod to Raise Rates by 7.2%  
03/29/18-10:22AM EST Zacks
- American Water's Unit Acquires Village of Fisher for \$6.8M  
03/29/18-9:33AM EST Zacks
- More Zacks News for AWK
- Illinois American Water Announces Agreement to Acquire Allotz's Regional Water Services Business Wire
- West Virginia American Water Launches 2018 Infrastructure Upgrade Map  
2/18-1:36PM EST Business Wire

**Price and EPS Surprise Chart**



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# **MK-SWRI-001 File 3**



**American States Water Co** (NYSE:AWR)

Real-time quotes and news

**53.22**

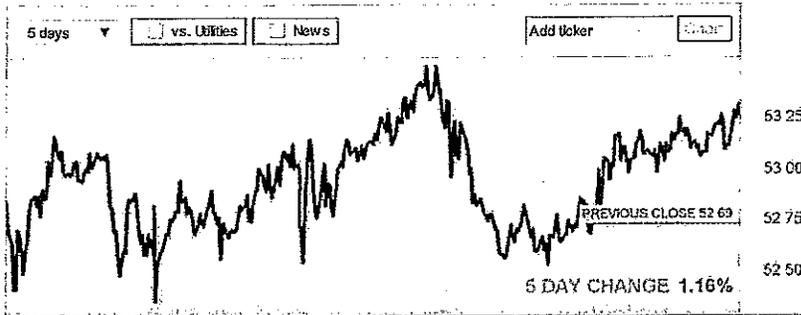
Delayed Data  
As of Apr 13

**↑ +0.53 / +1.01%**  
Today's Change

43.08 | **TODAY** | 60.00  
52-Week Range

**-8.10%**  
Year-to-Date

Quote Profile News Charts Forecasts Financials Shareholders Competitors



Mon 4:9	Tue 4:10	Wed 4:11	Thu 4:12	Fri 4:13
-0.08   -0.15%	+0.40   +0.76%	+0.36   +0.68%	-0.60   -1.13%	+0.55   +1.04%

**Latest AWR News | Press Releases**

No recent news for American States Water Co.

**Today's Trading**

Previous close	52.69
Today's open	52.75
Day's range	52.72 - 53.31
Volume	151,473
Average volume (3 months)	313,676
Market cap	\$1.9B

Data as of 4:02pm ET, 04/13/2018

**Growth & Valuation**

Earnings growth (last year)	+16.05%
Earnings growth (this year)	-4.96%
Earnings growth (next 5 years)	+5.00%
Revenue growth (last year)	+1.04%
P/E ratio	28.3
Price/Sales	4.84
Price/Book	3.60

**Competitors**

	Today's change	Today's % change
CWT California Water Ser...	+0.55	+1.48%
- Taliworks Corporatio...	+0.01	+0.67%
SJW SJW Group	+0.86	+1.63%
CTWS Connecticut Water Se...	+0.30	+0.48%

Data as of 4:02pm ET, 04/13/2018

**Financials**

Next reporting date	May 8, 2018
EPS forecast (this-quarter)	\$0.39
Annual revenue (last year)	\$440.6M
Annual profit (last year)	\$69.0M
Net profit margin	15.66%

**Profile**

Sector	Utilities
Industry	Water Utilities
President, Chief Executive Officer & Director	Robert J. Sprowls
CFO, Secretary, Treasurer & Senior Vice President	Eva G. Tang
Corporate headquarters	San Dimas, California

**Forecasts**



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**SJW Group** (NYSE: SJW)

**53.55**

Delayed Data  
As of Apr 13

↑ **+0.86 / +1.63%**  
Today's Change

45.27

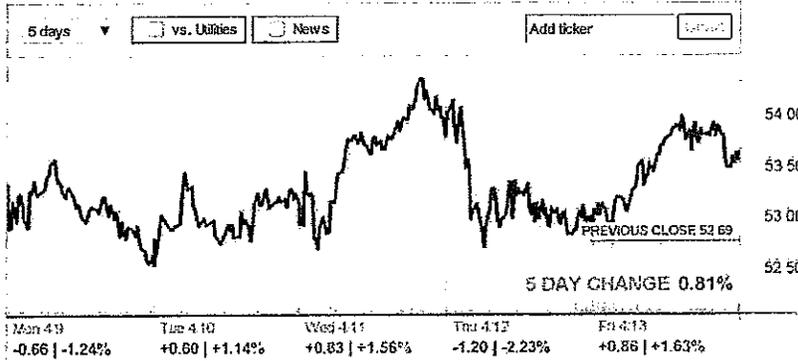
TODAY

69.29

52-Week Range

**-16.11%**  
Year-to-Date

Quote Profile News Charts Forecasts Financials Shareholders Competitors



**Latest SJW News | Press Releases**

**American Water to Expand Homeowner Services Via Acquisition**

Apr 12 / Zacks.com - Paid Partner Content

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**American Water's Unit Buys City of Farmington Water System**

Apr 09 / Zacks.com - Paid Partner Content

**Today's Trading**

Previous close	52.69
Today's open	52.91
Day's range	52.71 - 53.91
Volume	94,553
Average volume (3 months)	85,088
Market cap	\$1.1B

Data as of 4:02pm ET, 04/13/2018

**Growth & Valuation**

Earnings growth (last year)	+11.28%
Earnings growth (this year)	-11.89%
Earnings growth (next 5 years)	+10.00%
Revenue growth (last year)	+14.58%
P/E ratio	18.7
Price/Sales	3.39
Price/Book	2.39

**Competitors**

	Today's change	Today's % change
CTWS Connecticut Water Se...	+0.30	+0.48%
MSEX Middlesex Water Co	-0.50	-1.27%
- Talworks Corporatio...	+0.01	+0.87%
CWT California Water Ser...	+0.55	+1.48%

Data as of 4:02pm ET, 04/13/2018

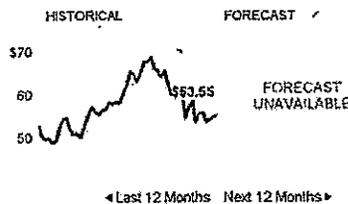
**Financials**

Next reporting date	April 25, 2018
EPS forecast (this quarter)	\$0.23
Annual revenue (last year)	\$389.2M
Annual profit (last year)	\$59.2M
Net profit margin	15.21%

**Profile**

Sector	Utilities
Industry	Water Utilities
President, Chief Executive Officer & Director	Eric W. Thornburg
Chief Operating Officer	Andrew R. Gere
Corporate headquarters	San Jose, California

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### California Water Service Group (NYSE:CWT)

**37.65**

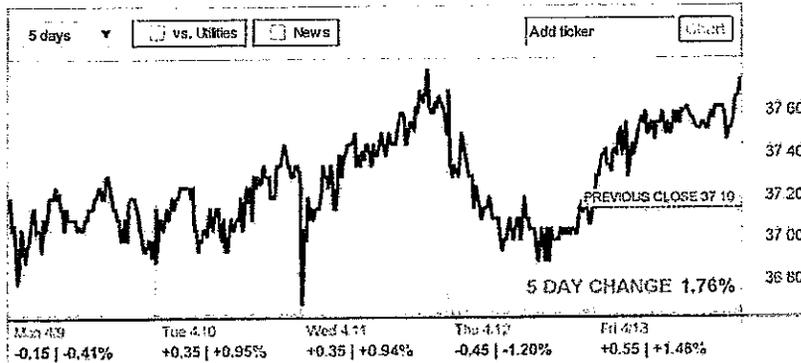
Delayed Data  
As of Apr 13

**↑ +0.55 / +1.48%**  
Today's Change

32.75 | 46.15  
52-Week Range

**-16.98%**  
Year-to-Date

Quote Profile News Charts Forecasts Financials Shareholders Competitors



#### Latest CWT News | Press Releases

No recent news for California Water Service Group.

#### Today's Trading

Previous close	37.10
Today's open	37.15
Day's range	37.15 - 37.75
Volume	216,190
Average volume (3 months)	357,058
Market cap	\$1.8B

Data as of 4:02pm ET, 04/13/2018

#### Growth & Valuation

Earnings growth (last year)	+38.61%
Earnings growth (this year)	+2.41%
Earnings growth (next 5 years)	+6.00%
Revenue growth (last year)	+9.44%
P/E ratio	26.9
Price/Sales	3.26
Price/Book	2.61

#### Competitors

	Today's change	Today's % change
AWR American States Wate...	+0.53	+1.01%
- Taliworks Corporatio...	+0.01	+0.87%
SJW SJW Group	+0.86	+1.63%
CTWS Connecticut Water Se...	+0.30	+0.48%

Data as of 4:02pm ET, 04/13/2018

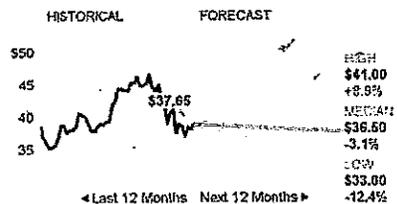
#### Financials

Next reporting date	April 26, 2018
EPS forecast (this-quarter)	\$0.07
Annual revenue (last year)	\$666.9M
Annual profit (last year)	\$67.2M
Net profit margin	10.07%

#### Profile

Sector	Utilities
Industry	Water Utilities
President, Chief Executive Officer & Director	Martin A. Kropelnicki
Chief Financial Officer, Treasurer & VP	Thomas F. Smegal
Corporate headquarters	San Jose, California

#### Forecasts



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Zuckerberg's mentor: Crisis could destroy Facebook

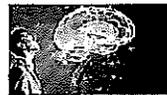


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**Aqua America Inc** (NYSE:WTR)

**33.41**

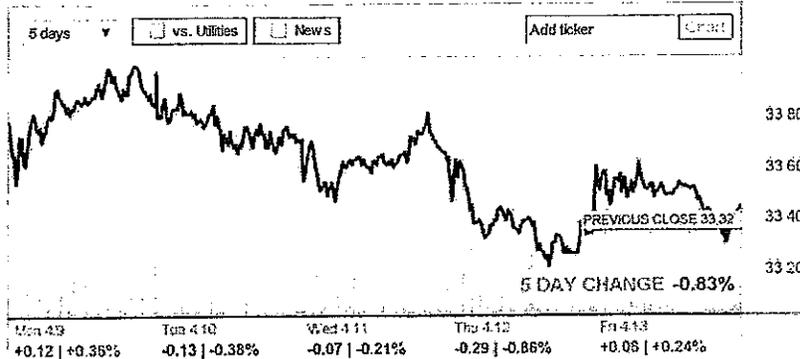
Delayed Data  
As of Apr 13

↑ **+0.09 / +0.27%**  
Today's Change

31.18 | 39.55  
52-Week Range

**-14.84%**  
Year-to-Date

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**Latest WTR News | Press Releases**

American Water's Unit Buys City of Farmington Water System

Apr 09 / Zacks.com - Paid Partner Content

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**Today's Trading**

Previous close	33.32
Today's open	33.43
Day's range	33.25 - 33.59
Volume	457,512
Average volume (3 months)	712,726
Market cap	\$6.0B

Data as of 4:02pm ET, 04/13/2018

**Growth & Valuation**

Earnings growth (last year)	+2.27%
Earnings growth (this year)	+2.50%
Earnings growth (next 5 years)	+6.00%
Revenue growth (last year)	-1.26%
P/E ratio	24.7
Price/Sales	8.63
Price/Book	3.05

**Competitors**

	Today's change	Today's % change
SBS Companhia de Saneame...	0.00	0.00%
AWR American States Wate...	+0.53	+1.01%
CWT California Water Ser...	+0.55	+1.48%
- Tallworks Corporatio...	+0.01	+0.87%

Data as of 4:02pm ET, 04/13/2018

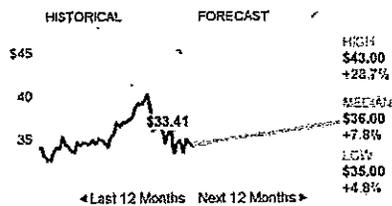
**Financials**

Next reporting date	May 9, 2018
EPS forecast (this quarter)	\$0.29
Annual revenue (last year)	\$809.5M
Annual profit (last year)	\$239.7M
Net profit margin	29.61%

**Profile**

Sector	Utilities
Industry	Water Utilities
Chairman, President & Chief Executive Officer	Christopher H. Franklin
Chief Operating Officer & EVP-Regulated Operations	Rick Fox
Corporate headquarters	Bryn Mawr, Pennsylvania

**Forecasts**



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Ex-Playmate sold Trump affair story to tabloid



Zuckerberg's mentor: Crisis could destroy Facebook

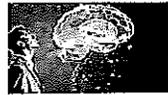


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You Can Still Buy This "Millionaire Maker" Stock

Bitcoin Up 30,000X - Here's Your Backdoor In

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**Middlesex Water Co** (NASDAQ:MSEX)

ALL DAY | 15 APR

**39.01**

Delayed Data  
As of Apr 13

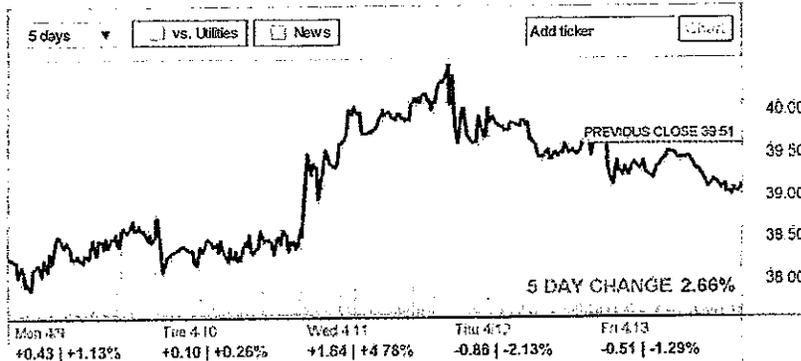
↓ **-0.50 / -1.27%**  
Today's Change

32.23

TODAY  
46.74  
52-Week Range

**-2.26%**  
Year-to-Date

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7% Interest	Top 10 Stocks

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Bitcoin Up 30,000X -- Here's Your Backdoor In

Motley Fool Issues Rare Triple-Buy Alert

This Stock Could Be Like Buying Amazon for \$3.19

**Latest MSEX News | Press Releases**

No recent news for Middlesex Water Co.

**Today's Trading**

Previous close	39.51
Today's open	39.67
Day's range	38.87 - 39.71
Volume	41,746
Average volume (3 months)	61,923
Market cap	\$598.6M

Data as of 4:00pm ET, 04/13/2018

**Growth & Valuation**

Earnings growth (last year)	0.00%
Earnings growth (this year)	-
Earnings growth (next 5 years)	+5.00%
Revenue growth (last year)	-1.60%
P/E ratio	28.3
Price/Sales	-
Price/Book	-

**Competitors**

Company	Today's change	Today's % change
CTWS Connecticut Water Se...	+0.30	+0.48%
YORW York Water Co	-0.20	-0.63%
WAAS AquaVenture Holdings...	+0.04	+0.30%
ARTNA Artesian Resources C...	-0.56	-1.52%

Data as of 4:02pm ET, 04/13/2018

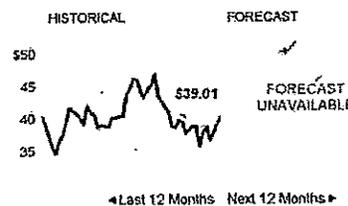
**Financials**

Next reporting date	May 4, 2018
EPS forecast (this quarter)	\$0.30
Annual revenue (last year)	\$130.8M
Annual profit (last year)	\$22.8M
Net profit margin	17.44%

**Profile**

Sector	Utilities
Industry	Water Utilities
Chairman, President & Chief Executive Officer	Dennis W. Doll
Chief Operating Officer & VP-Operations	Richard M. Risoldi
Corporate headquarters	Iselin, New Jersey

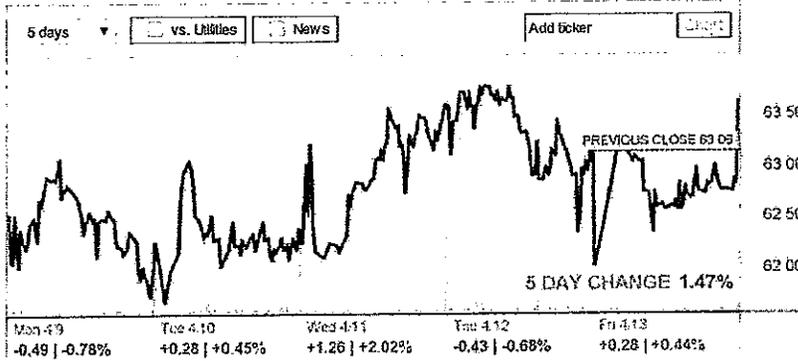
**Forecasts**



**Connecticut Water Service Inc** (NASDAQ:CTWS)

**63.36** ▲ +0.30 / +0.48% 48.86 | 65.04 ▲ +10.36%  
 Delayed Data As of Apr 13 Today's Change 52-Week Range Year-to-Date

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**Latest CTWS News | Press Releases**

**American Water to Expand Homeowner Services Via Acquisition**  
 Apr 12 / Zacks.com - Paid Partner Content

**American Water's Unit Buys City of Farmington Water System**  
 Apr 09 / Zacks.com - Paid Partner Content

[See All CTWS News](#)

**Today's Trading**

Previous close	63.06
Today's open	63.01
Day's range	61.94 - 63.54
Volume	81,865
Average volume (3 months)	68,575
Market cap	\$617.6M

Data as of 4:00pm ET, 04/13/2018

**Growth & Valuation**

Earnings growth (last year)	+1.96%
Earnings growth (this year)	+4.92%
Earnings growth (next 5 years)	+6.00%
Revenue growth (last year)	+2.73%
P/E ratio	29.7
Price/Sales	6.36
Price/Book	2.44

**Competitors**

Company	Today's change	Today's % change
MSEX Middlesex Water Co	-0.50	-1.27%
YORW York Water Co	-0.20	-0.63%
WAAS AquaVenture Holdings...	+0.04	+0.30%
ARTNA Artesian Resources C...	-0.56	-1.52%

Data as of 4:02pm ET, 04/13/2018

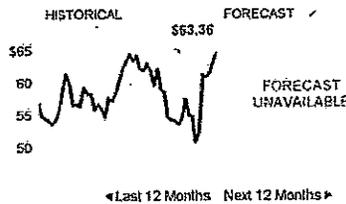
**Financials**

Next reporting date	--
EPS forecast (this quarter)	--
Annual revenue (last year)	\$98.7M
Annual profit (last year)	\$23.4M
Net profit margin	23.70%

**Profile**

Sector: Utilities  
 Industry: Water Utilities  
 President, Chief Executive Officer & Director: David Charles Benoit  
 Chief Financial Officer, Treasurer & Controller: Robert J. Doffek  
 Corporate headquarters: Clinton, Connecticut

**Forecasts**



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**York Water Co** (NASDAQ:YORW)

**31.50**

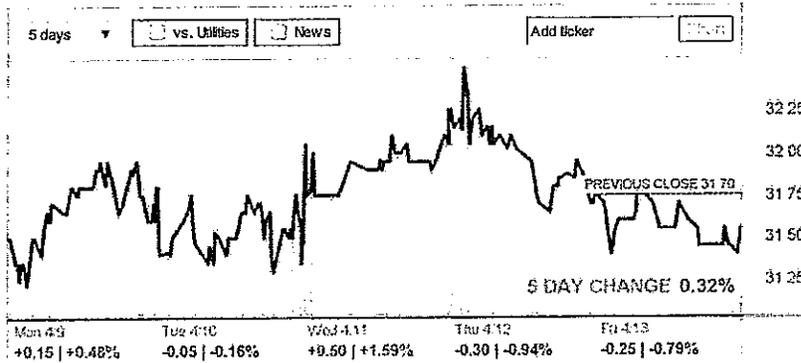
Delayed Data  
As of Apr 13

▼ **-0.20 / -0.63%**  
Today's Change

27.45 | 39.86  
52-Week Range

**-7.08%**  
Year-to-Date

Quote Profile News Charts Forecasts Financials Shareholders Competitors



**Latest YORW News | Press Releases**

No recent news for York Water Co.

**Today's Trading**

Previous close	31.70
Today's open	31.70
Day's range	31.35 - 31.75
Volume	11,791
Average volume (3 months)	35,836
Market cap	\$398.7M

Data as of 4:00pm ET, 04/13/2018

**Growth & Valuation**

Earnings growth (last year)	+9.78%
Earnings growth (this year)	-0.99%
Earnings growth (next 5 years)	+6.00%
Revenue growth (last year)	+2.11%
P/E ratio	31.2
Price/Sales	8.96
Price/Book	3.34

**Competitors**

Company	Today's change	Today's % change
WAAS AquaVenture Holdings...	+0.04	+0.30%
ARTNA Artesian Resources C...	-0.56	-1.52%
CDZI Cadiz Inc	-0.15	-1.10%
MSEX Middlesex Water Co	-0.50	-1.27%

Data as of 4:02pm ET, 04/13/2018

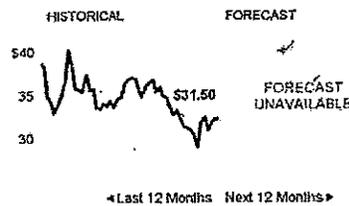
**Financials**

Next reporting date	-
EPS forecast (this quarter)	-
Annual revenue (last year)	\$48.6M
Annual profit (last year)	\$13.0M
Net profit margin	26.70%

**Profile**

Sector	Utilities
Industry	Water Utilities
President, Chief Executive Officer & Director	Jeffrey R. Hines
Chief Operating Officer & Secretary	Joseph Thomas Hand
Corporate headquarters	York, Pennsylvania

**Forecasts**



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Top Dividend	5 Best Stocks
Best Stocks to	Best Stock
Best Bank	Top 5 Stocks

The Motley Fool

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**Bitcoin Up 30,000X -- Here's Your Backdoor In**

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Recommended by



**American Water Works Company Inc** (NYSE:AWK)

**80.86**

Delayed Data  
As of Apr 13

▲ **+0.21 / +0.26%**

Today's Change

74.63

TODAY

92.37

52-Week Range

**-11.62%**

Year-to-Date

Quote Profile News Charts Forecasts Financials Shareholders Competitors



Mon 4/9	Tue 4/10	Wed 4/11	Thu 4/12	Fri 4/13
+0.22   +0.27%	-0.34   -0.41%	+0.01   +0.01%	-1.16   -1.42%	+0.21   +0.26%

**Latest AWK News | Press Releases**

**American Water to Expand Homeowner Services Via Acquisition**

Apr 12 / Zacks.com - Paid Partner Content

**Southern Company to Divest Pivotal Home Solutions for \$365M**

Apr 12 / Zacks.com - Paid Partner Content

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**Lederer & Associates Investment Counsel Buys Martin Marietta Materials Inc, XPO Logis...**

Apr 09 / GuruFocus News - Paid Partner Content

**American Water's Unit Buys City of Farmington Water System**

Apr 09 / Zacks.com - Paid Partner Content

**Today's Trading**

Previous close	80.65
Today's open	81.04
Day's range	80.65 - 81.58
Volume	934,656
Average volume (3 months)	1,096,056
Market cap	\$14.5B

Data as of 4:02pm ET, 04/13/2018

**Growth & Valuation**

Earnings growth (last year)	-8.97%
Earnings growth (this year)	+8.19%
Earnings growth (next 5 years)	+8.08%
Revenue growth (last year)	+1.67%
P/E ratio	34.0
Price/Sales	4.88
Price/Book	2.70

**Competitors**

	Today's change	Today's % change
SBS Companhia de Saneame...	0.00	0.00%
WTR Aqua America Inc	+0.09	+0.27%
AWR American States Wate...	+0.53	+1.01%
CWT California Water Ser...	+0.55	+1.48%

Data as of 4:02pm ET, 04/13/2018

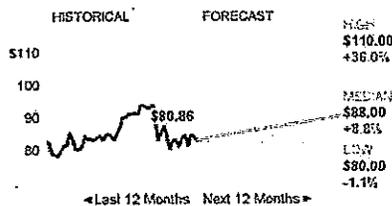
**Financials**

Next reporting date	May 3, 2018
EPS forecast (this quarter)	\$0.54
Annual revenue (last year)	\$3.4B
Annual profit (last year)	\$426.0M
Net profit margin	12.69%

**Profile**

Sector	Utilities
Industry	Water Utilities
President, Chief Executive Officer & Director	Susan N. Story
Chief Operating Officer & Executive Vice President	Walter J. Lynch
Corporate headquarters	Voorhees, New Jersey

**Forecasts**



**Most Popular Videos**

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Best Stocks to	10 Top
Top 5 Stocks	Best Stock
Best Stocks of	10 Best
Biotech	Best
Safest Stocks	Reverse

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Bitcoin Up 30,000X - Here's Your Backdoor In

# **MK-SWRI-001 File 4**

Year Ending Dec-19	8	917.16	989.70	860.71	952.20	Q2 17 0.28
Earnings (per share)						Q1 17 0.28
Quarter Ending Jun-18	8	0.36	0.38	0.34	0.37	Future Estimates
Quarter Ending Sep-18	8	0.44	0.45	0.42	0.46	Q2 18 0.345
Year Ending Dec-18	10	1.41	1.44	1.38	1.44	Q3 18 0.42
Year Ending Dec-19	9	1.50	1.58	1.45	1.54	» More Financials
LT Growth Rate (%)	2	7.00	9.00	5.00	6.83	

## AQUA AMERICA INC NEWS

## HISTORICAL SURPRISES

Sales and Profit Figures in US Dollar (USD)  
Earnings and Dividend Figures in US Dollar (USD)

Estimates vs Actual	Estimate	Actual	Difference	Surprise %
<b>SALES (in millions)</b>				
Quarter Ending Dec-17	208.28	203.31	4.97	2.39
Quarter Ending Sep-17	234.40	215.01	19.40	8.27
Quarter Ending Jun-17	208.28	203.42	4.86	2.33
Quarter Ending Mar-17	195.00	187.79	7.22	3.70
Quarter Ending Dec-16	208.27	196.80	11.47	5.51
<b>Earnings (per share)</b>				
Quarter Ending Dec-17	0.31	0.32	0.01	3.26
Quarter Ending Sep-17	0.43	0.43	0.00	0.78
Quarter Ending Jun-17	0.34	0.34	0.00	0.03
Quarter Ending Mar-17	0.30	0.28	0.02	5.44
Quarter Ending Dec-16	0.29	0.28	0.01	3.95

BRIEF-Aqua America Files For Potential Mixed Shelf

BRIEF-Aqua America Inc Q4 Earnings Per Share \$0.30

BRIEF-Aqua America reports Q3 earnings per share \$0.43

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2. Long Term Investment Strategies



3. Current Annuity Rates



4. How To Buy Bitcoin Stock



5. Best Stocks To Buy Now



## CONSENSUS ESTIMATES TREND

Sales and Profit Figures in US Dollar (USD)  
Earnings and Dividend Figures in US Dollar (USD)

	Current	1 Week Ago	1 Month Ago	2 Month Ago	1 Year Ago
<b>SALES (in millions)</b>					
Quarter Ending Jun-18	214.71	214.71	214.71	219.48	226.59
Quarter Ending Sep-18	237.95	237.95	237.95	235.96	248.62
Year Ending Dec-18	866.28	866.28	863.58	880.46	897.17
Year Ending Dec-19	917.16	917.16	917.16	926.60	952.20
<b>Earnings (per share)</b>					
Quarter Ending Jun-18	0.36	0.36	0.36	0.38	0.37
Quarter Ending Sep-18	0.44	0.44	0.44	0.45	0.46
Year Ending Dec-18	1.41	1.41	1.40	1.44	1.44
Year Ending Dec-19	1.50	1.50	1.50	1.54	1.54

## ESTIMATES REVISIONS SUMMARY

	Last Week		Last 4 Weeks	
	Up	Down	Up	Down
Number Of Revisions:				
Revenue				
Quarter Ending Jun-18	0	0	0	0
Quarter Ending Sep-18	0	0	0	0

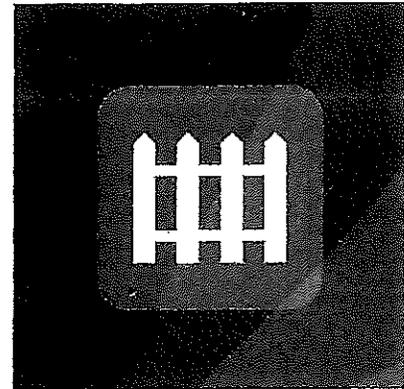
Year Ending Dec-18	15	3.28	3.40	3.20	3.28	Deal Termination At \$25.1 Mln
Year Ending Dec-19	13	3.54	3.70	3.44	3.52	BRIEF-American Water Announces Common Stock Offering Of 2,320,000 Shares
LT Growth Rate (%)	2	10.60	13.00	8.20	8.52	

[More AWKN News](#)

#### HISTORICAL SURPRISES

Sales and Profit Figures in US Dollar (USD)  
Earnings and Dividend Figures in US Dollar (USD)

Estimates vs Actual	Estimate	Actual	Difference	Surprise %
<b>SALES (in millions)</b>				
Quarter Ending Dec-17	843.36	821.00	22.36	2.65
Quarter Ending Sep-17	984.66	936.00	48.66	4.94
Quarter Ending Jun-17	867.31	844.00	23.31	2.69
Quarter Ending Mar-17	759.48	756.00	3.48	0.46
Quarter Ending Dec-16	820.46	802.00	18.46	2.25
<b>Earnings (per share)</b>				
Quarter Ending Dec-17	0.66	0.69	0.03	4.40
Quarter Ending Sep-17	1.08	1.08	0.00	0.14
Quarter Ending Jun-17	0.79	0.75	0.04	5.11
Quarter Ending Mar-17	0.52	0.52	0.00	0.66
Quarter Ending Dec-16	0.57	0.57	0.00	0.42



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#### CONSENSUS ESTIMATES TREND

Sales and Profit Figures in US Dollar (USD)  
Earnings and Dividend Figures in US Dollar (USD)

	Current	1 Week Ago	1 Month Ago	2 Month Ago	1 Year Ago
<b>SALES (in millions)</b>					
Quarter Ending Jun-18	854.91	850.80	853.11	877.67	891.65
Quarter Ending Sep-18	1,006.11	1,007.05	1,004.49	1,000.09	1,027.31
Year Ending Dec-18	3,446.97	3,433.81	3,434.03	3,565.56	3,670.38
Year Ending Dec-19	3,638.07	3,615.78	3,650.51	3,784.39	3,870.29
<b>Earnings (per share)</b>					
Quarter Ending Jun-18	0.83	0.83	0.83	0.84	0.85
Quarter Ending Sep-18	1.18	1.18	1.18	1.16	1.05
Year Ending Dec-18	3.28	3.28	3.27	3.28	3.28
Year Ending Dec-19	3.54	3.52	3.53	3.53	3.52

#### ESTIMATES REVISIONS SUMMARY

	Last Week		Last 4 Weeks	
	Up	Down	Up	Down
<b>Revenue</b>				
Quarter Ending Jun-18	4	1	4	1
Quarter Ending Sep-18	4	1	4	1
Year Ending Dec-18	5	1	4	1
Year Ending Dec-19	5	2	4	3
<b>Earnings</b>				
Quarter Ending Jun-18	1	1	2	1
Quarter Ending Sep-18	2	0	3	0

Year Ending Dec-19	5	1.90	1.96	1.82	1.87
LT Growth Rate (%)	1	4.00	4.00	4.00	4.55

**HISTORICAL SURPRISES**

Sales and Profit Figures in US Dollar (USD)  
Earnings and Dividend Figures in US Dollar (USD)

Estimates vs Actual	Estimate	Actual	Difference	Surprise %
<b>SALES (in millions)</b>				
Quarter Ending Dec-17	121.02	104.18	16.84	13.92
Quarter Ending Sep-17	145.78	124.42	21.36	14.65
Quarter Ending Jun-17	119.23	113.19	6.03	5.06
Quarter Ending Mar-17	92.10	98.81	6.71	7.29
Quarter Ending Dec-16	125.19	106.80	18.39	14.69
<b>Earnings (per share)</b>				
Quarter Ending Dec-17	0.36	0.38	0.02	4.20
Quarter Ending Sep-17	0.59	0.57	0.02	2.98
Quarter Ending Jun-17	0.45	0.48	0.03	6.19
Quarter Ending Mar-17	0.32	0.34	0.02	7.19
Quarter Ending Dec-16	0.30	0.30	0.00	0.46

**CONSENSUS ESTIMATES TREND**

Sales and Profit Figures in US Dollar (USD)  
Earnings and Dividend Figures in US Dollar (USD)

	Current	1 Week Ago	1 Month Ago	2 Month Ago	1 Year Ago
<b>SALES (in millions)</b>					
Quarter Ending Jun-18	118.05	118.05	118.19	120.13	115.24
Quarter Ending Sep-18	134.60	134.60	134.75	136.12	134.09
Year Ending Dec-18	444.79	444.79	445.27	472.13	466.70
Year Ending Dec-19	462.51	462.51	463.00	495.67	493.34
<b>Earnings (per share)</b>					
Quarter Ending Jun-18	0.49	0.49	0.49	0.47	0.47
Quarter Ending Sep-18	0.57	0.57	0.58	0.56	0.59
Year Ending Dec-18	1.79	1.79	1.81	1.79	1.81
Year Ending Dec-19	1.90	1.90	1.91	1.90	1.87

**ESTIMATES REVISIONS SUMMARY**

	Last Week		Last 4 Weeks	
	Up	Down	Up	Down
<b>Revenue</b>				
Quarter Ending Jun-18	0	0	0	1
Quarter Ending Sep-18	0	0	0	1
Year Ending Dec-18	0	0	0	2
Year Ending Dec-19	0	0	0	2
<b>Earnings</b>				
Quarter Ending Jun-18	0	0	0	1
Quarter Ending Sep-18	0	0	0	2



**MK-SWRI-001 File 5**

**Excel File**

**Provided by E-mail Only**

# **MK-SWRI-001 File 6**

# MERGENT

## BOND RECORD

**Corporates**  
**Convertibles**  
**Governments**  
**Municipals**

*Includes Global Ratings*

MAY 2018

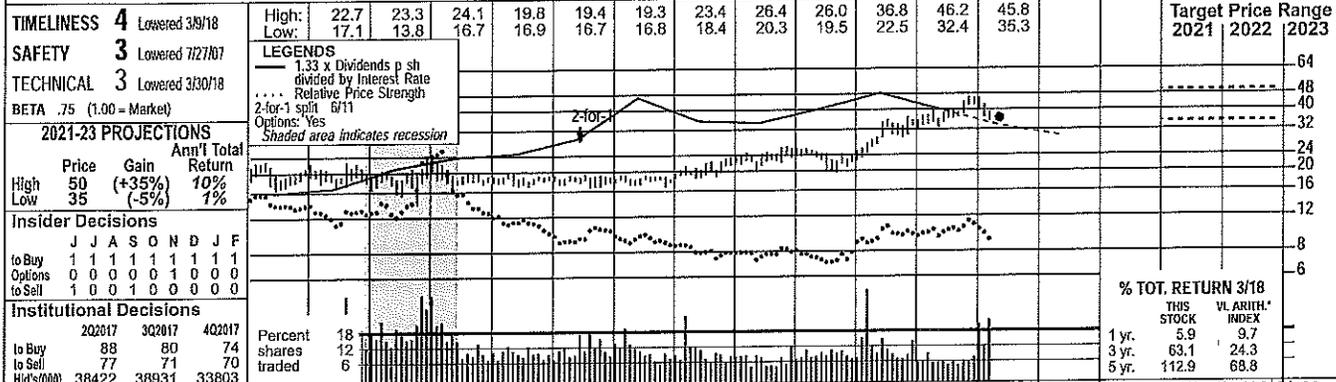




# **MK-SWRI-001 File 7**

# CALIFORNIA WATER NYSE-CWT

RECENT PRICE **36.50** P/E RATIO **24.2** (Trailing: 26.1 Median: 20.0) RELATIVE P/E RATIO **1.31** DIV'D YLD **2.1%** VALUE LINE



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
8.67	8.18	8.59	8.72	8.10	8.88	9.90	10.82	11.05	12.00	13.34	12.23	12.50	12.29	12.70	13.89	14.10	14.40	14.40	15.20	15.20	15.20
1.32	1.26	1.42	1.52	1.36	1.56	1.86	1.93	1.93	2.07	2.32	2.21	2.47	2.22	2.34	3.00	2.90	3.00	3.00	3.30	3.30	3.30
.63	.61	.73	.74	.67	.75	.95	.98	.91	.86	1.02	1.02	1.19	.94	1.01	1.40	1.55	1.65	1.65	1.90	1.90	1.90
.56	.56	.57	.57	.58	.58	.59	.59	.60	.62	.63	.64	.65	.67	.69	.72	.75	.78	.78	1.02	1.02	1.02
2.91	2.19	1.87	2.01	2.14	1.84	2.41	2.65	2.97	2.83	3.04	2.58	2.76	3.69	4.77	5.40	4.35	3.95	3.95	3.65	3.65	3.65
6.56	7.22	7.83	7.90	9.07	9.25	9.72	10.13	10.45	10.76	11.28	12.54	13.11	13.41	13.75	14.44	14.75	15.00	15.00	16.70	16.70	16.70
30.36	33.86	36.73	36.78	41.31	41.33	41.45	41.53	41.67	41.82	41.98	47.74	47.81	47.88	47.97	48.01	48.50	48.00	48.00	50.00	50.00	50.00
19.8	22.1	20.1	24.9	29.2	26.1	19.8	19.7	20.3	21.3	17.9	20.1	19.7	24.8	29.6	26.9	26.9	26.9	26.9	23.0	23.0	23.0
1.08	1.26	1.06	1.33	1.58	1.39	1.19	1.31	1.29	1.34	1.14	1.13	1.04	1.25	1.55	1.34	1.34	1.34	1.34	1.25	1.25	1.25
4.5%	4.2%	3.9%	3.1%	2.9%	3.0%	3.1%	3.1%	3.2%	3.4%	3.5%	3.1%	2.8%	2.9%	2.3%	1.9%	1.9%	1.9%	1.9%	2.4%	2.4%	2.4%

CAPITAL STRUCTURE as of 12/31/17		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Debt	\$806.8 mill.	410.3	449.4	460.4	501.8	560.0	584.1	597.5	588.4	609.4	666.9	685	705	705	705	705	705	705	705	760	760	760	760
LT Debt	\$515.8 mill.	39.8	40.6	37.7	36.1	42.6	47.3	56.7	45.0	48.7	67.2	75.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	95.0	95.0	95.0	95.0
Pension Assets-12/17 \$460.9 mill.		37.7%	40.3%	39.5%	40.5%	37.5%	30.3%	33.0%	35.5%	30.1%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Pfd Stock None		8.6%	7.6%	4.2%	7.6%	8.0%	4.3%	2.7%	4.3%	6.1%	3.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Common Stock 48,012,000 shs.		41.6%	47.1%	52.4%	51.7%	47.8%	41.6%	40.1%	44.4%	44.6%	42.7%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.5%	42.0%	42.0%	42.0%	42.0%
MARKET CAP: \$1.8 billion (Mid Cap)		58.4%	52.9%	47.6%	48.3%	52.2%	58.4%	59.9%	55.6%	55.4%	57.3%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	58.0%	58.0%	58.0%	58.0%
CURRENT POSITION (\$MILL.)		690.4	794.9	914.7	931.5	908.2	1024.9	1045.9	1154.4	1191.2	1209.3	1240	1280	1240	1240	1240	1240	1240	1240	1435	1435	1435	1435
Cash Assets		1112.4	1198.1	1294.3	1381.1	1457.1	1515.8	1590.4	1701.8	1859.3	2048.0	2075	2100	2100	2100	2100	2100	2100	2100	2200	2200	2200	2200
Other		7.1%	6.5%	5.5%	5.5%	6.3%	6.0%	6.3%	5.2%	5.5%	7.1%	7.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Current Assets		9.9%	9.6%	8.6%	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	9.7%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.5%	11.5%	11.5%	11.5%
Accts Payable		9.9%	9.6%	8.6%	8.0%	9.0%	7.9%	9.1%	7.0%	7.4%	9.7%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.5%	11.5%	11.5%	11.5%
Debt Due		3.8%	3.8%	3.0%	2.3%	3.4%	3.4%	4.1%	2.0%	2.4%	4.7%	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	5.5%	5.5%	5.5%	5.5%
Other		61%	60%	66%	71%	62%	56%	55%	71%	68%	49%	49%	49%	49%	49%	49%	49%	49%	49%	54%	54%	54%	54%
Current Liab.		8.8	25.5	94.8	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1	133.1

**BUSINESS:** California Water Service Group provides regulated and nonregulated water service to 484,900 customers in 100 communities in the state of California. Accounts for over 94% of total customers. Also operates in Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp; West Hawaii Utilities (9/08). Revenue breakdown, '17: residential, 72%; business, 19%; industrial, 4%; public authorities, 4%; other 1%. Off. and dir. own 1% of common stock (4/17 proxy). Has 1,163 employees. Pres. and CEO: Martin A. Kropelnick Inc. DE. Addr.: 1720 North First St., San Jose, CA 95112-4598. Tel.: 408-367-8200. Internet: www.calwatergroup.com.

ANNUAL RATES Past		Past Est'd '15-'17		to '21-'23	
of change (per sh)		10 Yrs.	5 Yrs.		
Revenues	4.0%	1.5%	2.5%		
"Cash Flow"	5.5%	3.5%	4.5%		
Earnings	4.5%	4.0%	9.5%		
Dividends	2.0%	2.5%	6.5%		
Book Value	4.5%	5.0%	3.0%		

Cal-endar	QUARTERLY REVENUES (\$ mill.) <sup>F</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	122.0	144.4	183.5	138.5	588.4
2016	121.7	152.4	184.3	151.0	609.4
2017	122.1	171.1	211.7	162.0	666.9
2018	130	175	215	165	685
2019	135	180	220	170	705

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	.03	.21	.52	.18	.94
2016	d.02	.24	.48	.31	1.01
2017	.02	.39	.70	.29	1.40
2018	.08	.42	.72	.33	1.55
2019	.11	.45	.74	.35	1.65

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.1625	.1625	.1625	.1625	.65
2015	.1675	.1675	.1675	.1675	.67
2016	.1725	.1725	.1725	.1725	.69
2017	.18	.18	.18	.18	.72
2018	.1875				

(A) Basic EPS. Excl. nonrecurring gain (loss); '02, '04; '11, '14. Next earnings report due late May. (B) Dividends historically paid in late Feb., May, Aug., and Nov. (C) Div'd reinvestment plan available. (D) In millions, adjusted for splits. (E) Excludes non-reg. rev. \$0.52/sh. \$24.8 mill.

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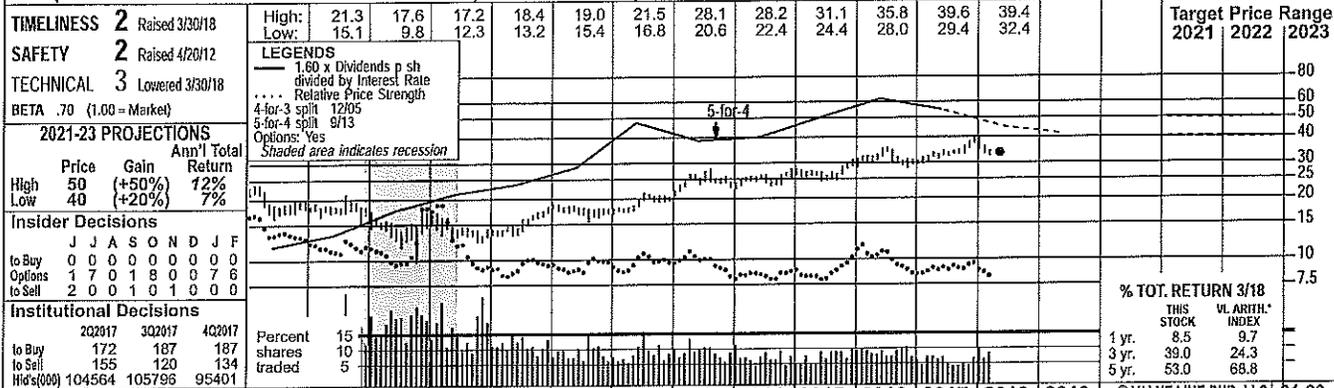
Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	35
Earnings Predictability	65

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# **MK-SWRI-001 File 8**

# AQUA AMERICA NYSE-WTR

RECENT PRICE **33.63** P/E RATIO **24.2** (Trailing: 24.9 Median: 22.0) RELATIVE P/E RATIO **1.31** DIV'D YLD **2.6%** VALUE LINE



Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-23
Price	2.28	2.38	2.78	3.08	3.23	3.61	3.71	3.93	4.21	4.10	4.32	4.32	4.37	4.61	4.62	4.58	4.75	5.00	Revenues per sh
Gain	.76	.77	.87	.97	1.01	1.14	1.14	1.29	1.42	1.45	1.51	1.82	1.89	1.87	2.07	2.12	2.20	2.40	"Cash Flow" per sh
Return	.43	.46	.51	.57	.56	.57	.58	.62	.72	.83	.87	1.16	1.20	1.14	1.32	1.35	1.40	1.50	Earnings per sh <sup>A</sup>
Beta	.26	.28	.29	.32	.35	.38	.41	.44	.47	.50	.54	.58	.63	.69	.74	.79	.85	.91	Div'd Decl'd per sh <sup>B</sup>
High	.96	1.06	1.23	1.42	1.64	1.43	1.58	1.66	1.89	1.90	1.98	1.73	1.84	2.07	2.16	2.70	2.65	2.65	Cap'l Spending per sh
Low	3.49	4.27	4.71	5.04	5.57	5.85	6.26	6.50	6.81	7.21	7.90	8.63	9.27	9.78	10.43	11.02	12.00	12.00	Book Value per sh
Options	141.49	154.31	158.97	161.21	165.41	166.75	169.21	170.61	172.46	173.60	175.43	177.93	178.59	178.54	177.39	177.71	178.25	178.75	Common Shs Outst'g <sup>C</sup>
Buy	23.6	24.5	25.1	31.8	34.7	32.0	24.9	23.1	21.1	21.3	21.9	21.2	20.8	23.5	23.9	24.7	24.7	24.7	Avg Ann'l P/E Ratio
Sell	1.29	1.40	1.33	1.69	1.87	1.70	1.50	1.54	1.34	1.34	1.39	1.19	1.09	1.18	1.25	1.20	1.20	1.20	Relative P/E Ratio
Options	2.5%	2.5%	2.3%	1.8%	1.8%	2.1%	2.8%	3.1%	3.1%	2.8%	2.8%	2.4%	2.5%	2.6%	2.3%	2.4%	2.4%	2.4%	Avg Ann'l Div'd Yield

Category	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-23
Total Debt	627.0	670.5	726.1	712.0	757.8	768.6	779.9	814.2	819.9	809.5	850	890	850	890	850	890	850	890	Revenues (\$mill)
LT Debt	97.9	104.4	124.0	144.8	153.1	205.0	213.9	201.8	234.2	239.7	250	270	250	270	250	270	250	270	Net Profit (\$mill)
Income Tax Rate	39.7%	39.4%	39.2%	32.9%	39.0%	10.0%	10.5%	6.9%	8.2%	6.5%	9.0%	15.0%	10.0%	10.0%	9.0%	9.0%	9.0%	15.0%	Income Tax Rate
AFUDC % to Net Profit	--	--	--	--	--	1.1%	2.4%	3.1%	3.8%	6.3%	6.5%	6.5%	6.5%	6.5%	6.3%	6.3%	6.5%	6.5%	AFUDC % to Net Profit
Long-Term Debt Ratio	54.1%	55.6%	56.6%	52.7%	52.7%	48.9%	48.5%	50.3%	48.4%	50.6%	51.0%	53.5%	53.5%	50.6%	50.6%	51.0%	51.0%	53.5%	Long-Term Debt Ratio
Common Equity Ratio	45.9%	44.4%	43.4%	47.3%	47.3%	51.1%	51.5%	49.7%	51.6%	49.4%	49.0%	46.5%	46.5%	49.4%	49.4%	49.0%	49.0%	46.5%	Common Equity Ratio
Total Capital (\$mill)	2306.6	2495.5	2706.2	2846.8	2929.7	3003.6	3216.0	3469.5	3587.7	3985.4	4250	4600	3587.7	3985.4	4250	4600	4250	4600	Total Capital (\$mill)
Net Plant (\$mill)	2997.4	3227.3	3469.3	3612.9	3936.2	4167.3	4402.0	4688.9	5001.6	5399.9	5775	6070	5001.6	5399.9	5775	6070	5775	6070	Net Plant (\$mill)
Return on Total Cap'l	5.7%	5.6%	5.9%	6.9%	6.6%	8.0%	7.8%	6.9%	7.6%	7.1%	7.0%	7.0%	7.6%	7.1%	7.0%	7.0%	7.0%	7.0%	Return on Total Cap'l
Return on Shr. Equity	9.3%	9.4%	10.6%	11.8%	11.8%	13.4%	12.9%	11.7%	12.7%	12.2%	12.5%	12.5%	12.7%	12.2%	12.2%	12.5%	12.5%	13.0%	Return on Shr. Equity
Return on Com Equity	9.3%	9.4%	10.6%	11.8%	11.8%	13.4%	12.9%	11.7%	12.7%	12.2%	12.5%	12.5%	12.7%	12.2%	12.2%	12.5%	12.5%	13.0%	Return on Com Equity
Retained to Com Eq	2.8%	2.7%	3.7%	4.6%	4.3%	6.7%	6.1%	4.7%	5.6%	5.0%	5.0%	5.0%	5.6%	5.0%	5.0%	5.0%	5.0%	5.0%	Retained to Com Eq
All Div'ds to Net Prof	70%	72%	65%	60%	61%	50%	52%	60%	56%	59%	59%	61%	56%	59%	59%	59%	61%	61%	All Div'ds to Net Prof

**CAPITAL STRUCTURE as of 12/31/17**  
 Total Debt \$2125.2 mill. Due in 5 Yrs \$368.4 mill.  
 LT Debt \$2067.8 mill. LT Interest \$83.0 mill.  
 (51% of Cap'l)

**Pension Assets-12/16 \$270.4 mill.**  
 Oblig. \$321.0 mill.

**Pfd Stock None**  
 Common Stock 177,750,505 shares as of 2/13/18

**MARKET CAP: \$6.0 billion (Large Cap)**

Category	2015	2016	12/31/17 (\$MILL)
Cash Assets	3.2	3.7	4.2
Receivables	99.1	97.4	98.6
Inventory (AvgCst)	12.4	13.0	14.4
Other	13.7	14.6	14.0
Current Assets	128.4	128.7	131.2
Accts Payable	56.5	59.9	59.2
Debt Due	52.3	157.2	117.4
Other	84.4	84.4	107.9
Current Liab.	193.2	301.5	284.5

Category	Past 10 Yrs	Past 5 Yrs	Est'd '14-'16 to '21-'23
Revenues	4.0%	2.0%	5.0%
"Cash Flow"	7.5%	7.0%	6.0%
Earnings	8.5%	11.0%	7.0%
Dividends	8.0%	8.0%	9.0%
Book Value	7.0%	7.5%	6.5%

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	190.3	205.8	221.0	197.1	814.2
2016	192.6	203.9	226.6	196.8	819.9
2017	187.8	203.4	215.0	203.3	809.5
2018	195	215	225	215	850
2019	205	225	235	225	890

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.27	.32	.38	.17	1.14
2016	.29	.34	.41	.28	1.32
2017	.28	.34	.43	.30	1.35
2018	.30	.35	.44	.31	1.40
2019	.31	.38	.48	.33	1.50

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.152	.152	.165	.165	.63
2015	.165	.165	.178	.178	.69
2016	.178	.178	.1913	.1913	.74
2017	.1913	.1913	.2047	.2047	.79
2018	.2047				

**BUSINESS:** Aqua America, Inc. is the holding company for water and wastewater utilities that serve approximately three million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Florida, Indiana, and five other states. Has 1,530 employees. Acquired AquaSource, 7/13; North Maine Utilities, 7/15; and others. Water supply revenues '2017: residential, 60%; commercial, 16%; industrial, wastewater & other, 24%. Off. & dir. own less than 1% of the common stock; Vanguard Group, 10.0%; Blackrock, Inc., 8.8%; State Street Capital, 5.0% (3/18 Proxy). President & Chief Executive Officer: Christopher Franklin. Incorporated: Pennsylvania. Address: 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010. Tel.: 610-525-1400. Internet: www.aquaamerica.com.

**Aqua America is being more aggressive on the acquisition front.** Each year, the largest members of the highly fragmented water industry typically purchase dozens of the small, local water districts located throughout the U.S. Since there are such a high number of overlapping costs involved in operating a water system, savings resulting from synergies can be quite meaningful. In 2017, Aqua only made four small purchases, which is why customer growth was only 1.1%, compared to 1.6% and 1.9% in the previous two years. Net proceeds used for these purchases totaled only \$5 million (net of divestitures). This number may well spike to \$150 million this year as six deals are currently well along in the pipeline. Acquisitions ought to remain part of the company's growth strategy, and continue to provide a boost to earnings.

**The bottom line probably will not show much progress this year.** Management's guidance for 2018 was less than we anticipated as share earnings were targeted at the \$1.40 midpoint. One headwind is that the company's profitability level is higher than allowed by authorities

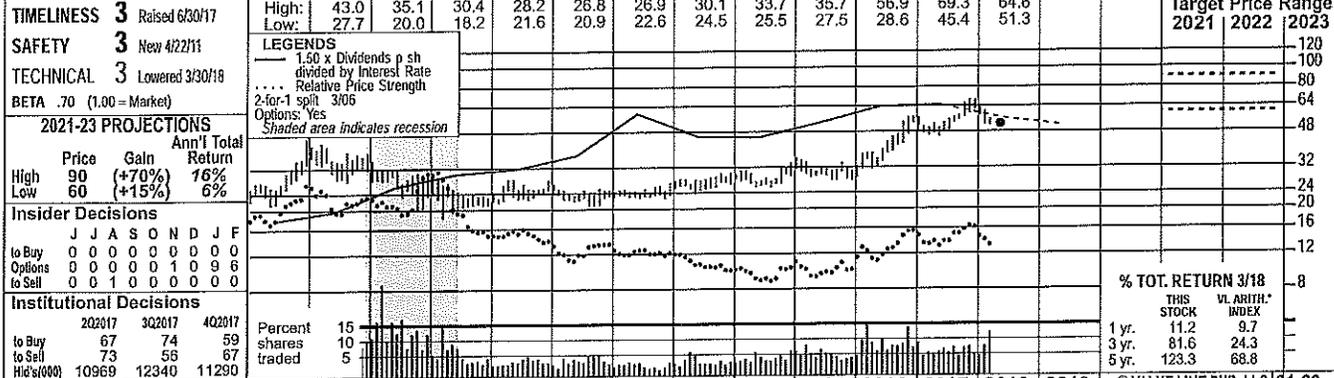
in Pennsylvania. We expect earnings to gain some traction in 2019. We think Aqua's returns on equity will no longer exceed the permitted rate, and that all costs associated with existing nonutility operations will be eliminated. All told, we estimate that share earnings could rise a healthy 7%. **The capital budget is substantial.** About \$480 million was used to upgrade old pipelines and other facilities in 2017. Through 2020, another \$1.4 billion is scheduled to be spent. **Finances are sound.** Of the eight members of this industry, only Aqua and one other member merit an A Financial Strength rating. This provides the company with plenty of options because external funds will be required to finance the construction program. Barely any new equity has been issued in five years. So, this source can be tapped to raise funds. Or, Aqua can take on more debt without becoming overleveraged. **These shares are timely.** Also, total return prospects out to 2021-2023 are worthwhile on a risk-adjusted basis.

*James A. Flood* *April 13, 2018*

# **MK-SWRI-001 File 9**

# SJW GROUP NYSE-SJW

RECENT PRICE **52.41** P/E RATIO **17.4** (Trailing: 18.3 Median: 21.0) RELATIVE P/E RATIO **0.94** DIV'D YLD **2.1%** VALUE LINE



Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Price	7.97	8.20	9.14	9.86	10.35	11.25	12.12	11.68	11.62	12.85	14.01	13.73	15.76	14.97	16.61	18.97	19.05	18.85	18.85	21.10	21.10	21.10
High	1.55	1.75	1.89	2.21	2.30	2.44	2.21	2.38	2.80	2.97	2.90	4.42	3.86	4.76	5.24	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Low	.78	.91	.87	1.12	1.19	1.04	1.08	.81	.84	1.11	1.18	1.12	2.54	1.85	2.57	2.86	2.85	2.85	2.85	2.85	2.85	2.85
Gain	.46	.49	.51	.53	.57	.61	.65	.66	.68	.69	.71	.73	.75	.78	.81	1.04	1.12	1.20	1.20	1.20	1.20	1.20
Ann'l Total Return	2.06	3.41	2.31	2.83	3.87	6.62	3.79	3.17	5.65	3.75	5.67	4.68	5.02	5.24	6.95	7.26	5.50	5.25	5.25	5.25	5.25	5.25

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues per sh	7.97	8.20	9.14	9.86	10.35	11.25	12.12	11.68	11.62	12.85	14.01	13.73	15.76	14.97	16.61	18.97	19.05	18.85	18.85	21.10	21.10	21.10
"Cash Flow" per sh	1.55	1.75	1.89	2.21	2.30	2.44	2.21	2.38	2.80	2.97	2.90	4.42	3.86	4.76	5.24	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Earnings per sh <sup>A</sup>	.78	.91	.87	1.12	1.19	1.04	1.08	.81	.84	1.11	1.18	1.12	2.54	1.85	2.57	2.86	2.85	2.85	2.85	2.85	2.85	2.85
Div'd Dec'd per sh <sup>B</sup>	.46	.49	.51	.53	.57	.61	.65	.66	.68	.69	.71	.73	.75	.78	.81	1.04	1.12	1.20	1.20	1.20	1.20	1.20
Cap'l Spending per sh	2.06	3.41	2.31	2.83	3.87	6.62	3.79	3.17	5.65	3.75	5.67	4.68	5.02	5.24	6.95	7.26	5.50	5.25	5.25	5.25	5.25	5.25
Book Value per sh	8.40	9.11	10.11	10.72	12.48	12.90	13.99	13.66	13.75	14.20	14.71	15.92	17.75	18.83	20.61	22.57	23.35	23.40	23.40	23.40	23.40	23.40
Common Shs Outstg <sup>C</sup>	18.27	18.27	18.27	18.27	18.28	18.36	18.18	18.50	18.55	18.59	18.67	20.17	20.29	20.38	20.46	20.52	21.00	22.00	22.00	22.00	22.00	22.00
Avg Ann'l P/E Ratio	17.3	15.4	19.6	19.7	23.5	33.4	28.2	28.7	29.1	21.2	20.4	24.3	11.2	16.6	15.7	18.8	18.8	18.8	18.8	18.8	18.8	18.8
Relative P/E Ratio	.94	.88	1.04	1.05	1.27	1.77	1.58	1.91	1.85	1.33	1.30	1.37	.59	.84	.82	.93	.93	.93	.93	.93	.93	.93
Avg Ann'l Div'd Yield	3.4%	3.5%	3.0%	2.4%	2.0%	1.7%	2.3%	2.8%	2.8%	2.9%	3.0%	2.7%	2.6%	2.5%	2.0%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%

**CAPITAL STRUCTURE as of 12/31/17**  
 Total Debt \$431.1 mill. Due in 5 Yrs \$14.3 mill.  
 LT Debt \$431.1 mill. LT Interest \$20.0 mill.  
 (LT Interest Coverage: 6.5x)  
 (48% of Cap'l)

**Leases, Uncapitalized:** Annual rentals \$6.7 mill.

**Pension Assets-12/17** \$133.4 mill.  
 Oblig. \$196.2 mill.

**Pfd Stock None.**  
**Common Stock** 20,521,000 shs.

**MARKET CAP:** \$1.1 billion (Mid Cap)

Year	2015	2016	12/31/17
Cash Assets	5.2	25.3	7.8
Accts Receivable	16.4	16.4	17.3
Other	51.8	57.9	41.8
Current Assets	73.4	99.6	66.9
Accts Payable	16.2	18.7	23.0
Debt Due	38.1	14.3	--
Other	25.3	30.6	62.1
Current Liab.	79.6	63.6	85.1

Year	2015	2016	2017	2018	2019
Revenues	5.0%	5.5%	4.0%	4.0%	4.0%
"Cash Flow"	7.0%	11.0%	3.5%	3.5%	3.5%
Earnings	8.0%	13.5%	6.0%	6.0%	6.0%
Dividends	4.5%	5.0%	8.5%	8.5%	8.5%
Book Value	5.5%	8.0%	3.0%	3.0%	3.0%

Year	2015	2016	2017	2018	2019
Q1	62.1	72.4	83.0	87.6	305.1
Q2	61.1	86.9	112.3	79.4	339.7
Q3	69.0	102.1	124.6	93.5	389.2
Q4	75.0	105	125	95.0	400
Full Year	78.0	110	130	97.0	415

Year	2015	2016	2017	2018	2019
Q1	.23	.36	.46	.80	1.85
Q2	.16	.82	.92	.67	2.57
Q3	.18	.90	.94	.84	2.86
Q4	.27	.90	1.00	.68	2.85
Full Year	.30	.95	1.05	.70	3.00

Year	2014	2015	2016	2017	2018
Q1	.1875	.1875	.1875	.1875	.75
Q2	.1950	.1950	.1950	.1950	.78
Q3	.2025	.2025	.2025	.2025	.81
Q4	.2175	.2175	.2175	.3875	1.04

**(A)** Diluted earnings. Excludes nonrecurring losses: '03, \$1.97; '04, \$3.78; '05, \$1.09; '06, \$16.36; '08, \$1.22; '10, \$0.46. GAAP accounting as of 2013. Next earnings report due late May. Quarterly earnings may not add due to rounding.

**(B)** Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.

**(C)** In millions, adjusted for stock splits.

**(D)** Paid special dividend of \$0.17 per share on 11/17

Company's Financial Strength B+  
 Stock's Price Stability 65  
 Price Growth Persistence 30  
 Earnings Predictability 45

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**SJW Group announced a definitive merger agreement (all-stock transaction) with Connecticut Water Service Inc.** As per terms of the deal, which holds an enterprise value of about \$2.6 billion, Connecticut Water shareholders will receive 1.1375 shares of SJW Group common stock for each share of CTWS held. The ownership breakdown would be a 60%-40% split in favor of SJW Group. All in all, the deal, already unanimously approved by both companies' boards of directors, is expected to close by the end of 2018 (still subject to customary regulatory and shareholder approvals).

**Upon completion, the combined entity would be the third-largest publicly owned water and waste water utility in the United States.** Indeed, its operational footprint across select domestic regions (Connecticut, California, Texas, and Maine) ought to be significantly bolstered. This includes all subsidiaries, such as Heritage Village, Maine Water Company, Avon Water, San Jose Water, and SJWTX Inc., to name a few. On balance, the merged entity is expected to generate annual sales of nearly \$500 million, and

offers nonregulated water-related services and owns and operates commercial real estate investments. Has about 411 employees. Officers and directors (including Nancy O. Moss) own 22.9% of outstanding shares (3/18 proxy). Chairman & C.E.O.: Richard Roth, Inc.; California. Address: 110 West Taylor Street, San Jose, CA 95110. Telephone: (408) 279-7800. Internet: www.sjwater.com.

should be immediately accretive to earnings. Moreover, greater scalability and investment spending on infrastructure upgrades are likely to drive efficiency, especially on the expense front. Meanwhile, no further rate increases are expected in the near term (SJW has benefited from cumulative rate hikes of late). Lastly, Eric W. Thornburg, current chairman, president, and CEO of CTWS, will spearhead the newly combined company.

**SJW Group has substantially boosted its quarterly dividend payout.** The utility raised its per-share distribution from \$0.2175, to \$0.28, almost a 30% jump (this excludes the special dividend paid last November). Assuming the merger goes off without a hitch, the newly formed company's annual dividend payment is likely to be equivalent to SJW Group's recently ramped figure.

**This issue is ranked to mirror the year-ahead broader market averages.** SJW shares have slid more than 15% in price over the past three months. Thus, investors with a long-term holding period may find the current entry point enticing.

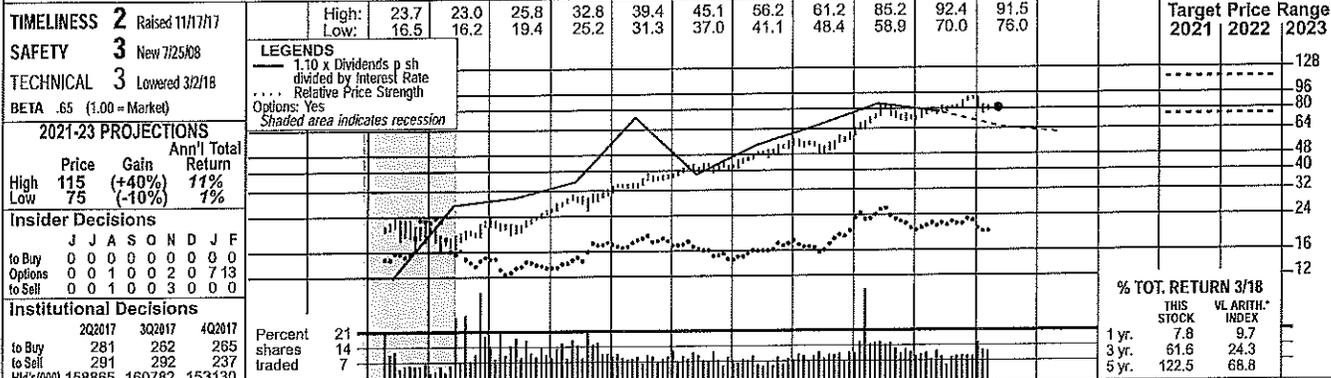
*Nicholas P. Patrikis*  
 April 13, 2018

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# **MK-SWRI-001 File 10a**

# AMERICAN WATER NYSE-AWK

RECENT PRICE **81.16** P/E RATIO **25.3** (Trailing: 26.4 Median: NMF) RELATIVE P/E RATIO **1.37** DIV YLD **2.3%** VALUE LINE



2002	2003	2004	2005	2006	2007	2008 <sup>e</sup>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
13.08	13.84	14.61	13.98	15.49	15.18	16.25	16.28	16.78	17.72	18.54	18.81	19.05	19.85	Revenues per sh	22.95						
.65	d.47	2.87	2.89	3.56	3.73	4.27	4.36	4.75	5.13	5.26	5.80	5.75	6.30	"Cash Flow" per sh	7.70						
d.97	d2.14	1.10	1.25	1.53	1.72	2.11	2.06	2.39	2.64	2.62	3.03	3.25	3.50	Earnings per sh <sup>A</sup>	4.50						
4.31	4.74	6.31	4.50	4.38	5.27	5.25	5.50	5.33	6.51	7.36	8.05	9.60	9.55	Cap'l Spending per sh	9.20						
23.86	28.39	25.64	22.91	23.59	24.11	25.11	26.52	27.39	28.25	29.24	30.18	31.75	33.90	Book Value per sh <sup>D</sup>	42.00						
160.00	160.00	160.00	174.63	175.00	175.66	176.99	178.25	179.46	178.28	178.10	178.44	179.00	180.00	Common Shs Outst'g <sup>C</sup>	187.50						
18.9	15.6	14.6	16.8	16.7	19.9	20.0	20.5	27.7	26.5	26.5	27.7	26.5	27.7	Avg Ann'l P/E Ratio	21.5						
1.14	1.04	.93	1.05	1.06	1.12	1.05	1.03	1.45	1.29	1.29	1.29	1.29	1.29	Relative P/E Ratio	1.20						
1.9%	4.2%	3.8%	3.1%	3.4%	2.0%	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	Avg Ann'l Div'd Yield	2.7%						

CAPITAL STRUCTURE as of 12/31/17		2002	2003	2004	2005	2006	2007	2008 <sup>e</sup>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Debt \$7717.0 mil. Due in 5 Yrs \$2192.0 mil.		187.2	209.9	267.8	304.9	374.3	369.3	429.8	476.0	468.0	542.4	580	630	Revenues (\$mill)	4300								
LT Debt \$6490.0 mil. LT Interest \$320.0 mil. (55% of Cap'l)		37.4%	37.9%	40.4%	39.5%	40.7%	39.1%	39.4%	39.1%	39.2%	40.0%	21.0%	21.0%	Net Profit (\$mill)	845								
Leases, Uncapitalized: Annual rentals \$15.0 mil.		53.1%	56.9%	56.8%	55.7%	53.9%	52.4%	52.4%	53.7%	52.4%	54.6%	56.5%	57.5%	Income Tax Rate	21.0%								
Pension Assets 12/16 \$1649.0 mill.		46.9%	43.1%	43.2%	44.2%	46.1%	47.6%	47.4%	46.2%	47.5%	45.3%	43.5%	42.5%	AFUDC % to Net Profit	5.0%								
Pfd Stock \$8.0 mill.		8750.2	9289.0	9561.3	9560.3	9635.5	9940.7	10364	10911	10987	11883	13085	14400	Long-Term Debt Ratio	57.5%								
Common Stock 178,551,923 shs. as of 2/15/17		9991.8	10524	11059	11021	11739	12391	12900	13933	14992	16246	17400	18800	Common Equity Ratio	42.5%								
MARKET CAP: \$14.5 billion (Large Cap)		3.7%	3.8%	4.4%	4.8%	5.4%	5.1%	5.5%	5.7%	5.6%	6.0%	5.0%	5.5%	Total Capital (\$mill)	18625								
CURRENT POSITION (SMILL.)		4.6%	5.2%	6.5%	7.2%	8.4%	7.8%	8.7%	9.4%	9.0%	10.1%	10.0%	10.5%	Net Plant (\$mill)	21200								
Cash Assets		45.0	75.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0	Return on Total Cap'l	6.5%								
Accs Receivable		255.0	269.0	272.0	272.0	272.0	272.0	272.0	272.0	272.0	272.0	272.0	272.0	Return on Shr. Equity	10.5%								
Other		357.0	440.0	366.0	366.0	366.0	366.0	366.0	366.0	366.0	366.0	366.0	366.0	Return on Com Equity	10.5%								
Current Assets		657.0	784.0	720.0	720.0	720.0	720.0	720.0	720.0	720.0	720.0	720.0	720.0	Retained to Com Eq	4.5%								
Accs Payable		126.0	154.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0	All Div'ds to Net Prof	58%								
Debt Due		682.0	1423.0	1227.0	1227.0	1227.0	1227.0	1227.0	1227.0	1227.0	1227.0	1227.0	1227.0										
Other		725.0	815.0	903.0	903.0	903.0	903.0	903.0	903.0	903.0	903.0	903.0	903.0										
Current Liab.		1533.0	2392.0	2325.0	2325.0	2325.0	2325.0	2325.0	2325.0	2325.0	2325.0	2325.0	2325.0										

**BUSINESS:** American Water Works Company, Inc. is the largest investor-owned water and wastewater utility in the U.S., providing services to over 15 million people in 46 states and Canada. (Regulated presence in 16 states.) Nonregulated business assists municipalities and military bases with the maintenance and upkeep as well. Regulated operations made up 88% of 2017 revenues.

New Jersey is its largest market accounting for 25% of regulated revenues. Has 6,900 employees. The Vanguard Grp, owns 10.4% of outstanding shares; BlackRock, Inc., 7.4%; officers & directors, less than 1.0%. (3/18 Proxy). President & CEO: Susan N. Story. Chair.: George MacKenzie. Address: 1025 Laurel Oak Road, Voorhees, NJ 08043. Tel.: 856-346-8200. Internet: www.amwater.com.

**American Water Works' earnings and dividend growth prospects remain the most attractive in the water utility sector.** Over the next five-year period, management expects both the bottom line, and the distribution paid to shareholders to increase 7%-10% annually. This easily surpasses the market consensus for the other members of the group. How does the company achieve such success? Much can be attributed to its aggressive policy of acquiring small, inefficient water districts and reducing their expenses substantially. **The capital budget is very large.** American Water estimates that outlays to refurbish and modernize its infrastructure will average as much as \$1.7 billion per year through 2022. Financing these expenditures will require a fair amount of external financing. Management has stated that no major new equity offering is forthcoming. (We have shares outstanding rising only about 1% per annum.) Thus, the company's balance sheet should come under some pressure as it will probably become more leveraged. Even with the higher reliance on debt, however, American Water's finances should be adequate.

**The regulatory climate will like continue to have a significant impact on the company's performance.** The utility is so large that its operates in all but four of the 50 states. As it is a regulated entity, state authorities determine the rate of return that can be earned on investments. Most regulators realize that all of the water utilities are playing catch-up as they try to modernize pipeline and wastewater facilities. In the past, mostly to keep water bills low, both utilities and authorities ignored the disrepair of the nation's water system. As a result, regulators have taken a constructive approach in dealing with utilities. Because it is by far the largest member of the group, American Water has benefited the most from the policy. Conversely, any change in the nation's regulatory climate would have the biggest effect on the company. **These shares are timely.** Also, AWK's yield is now not too much lower than the median for a water utility. Thus, investors do not have to pay much of a premium for the equity's better-than-average dividend growth potential.

*James A. Flood*  
April 13, 2018

(A) Diluted earnings. Excludes nonrecurring losses: '06, \$4.62; '09, \$2.63; '11, \$0.07. Disc. oper.: '06, (\$0.04); '11, \$0.03; '12, (\$0.10); '13, (\$0.01). GAAP used as of 2014, except for (\$0.65) loss in '17 due to change in tax law and December. ■ Div. reinvestment available. Next earnings report due mid-May. Quarterly earnings do not sum in '16 due to rounding. (B) Dividends paid in March, June, September, and form numbers for '06 & '07. (C) In millions. (D) Includes intangibles. On 12/31/17: \$1.379 billion, \$7.72/share. (E) Pro

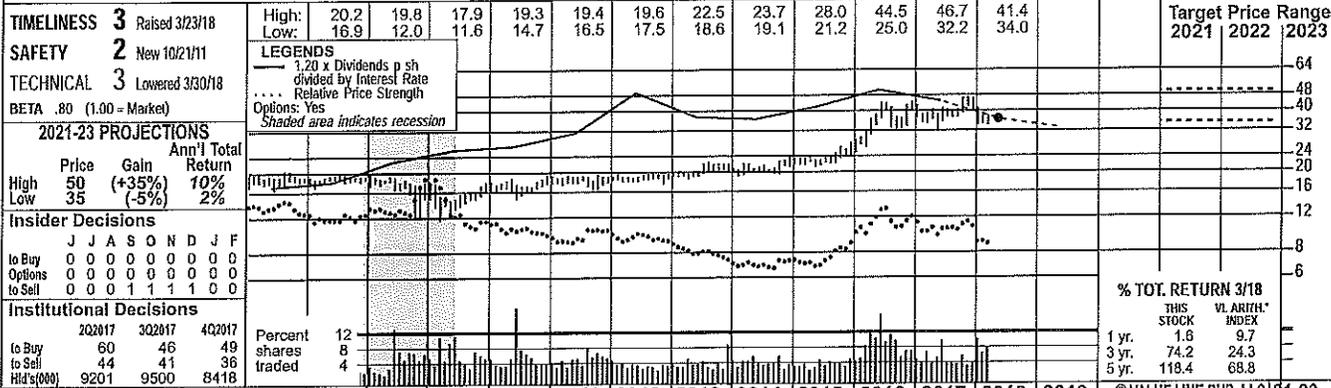
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# **MK-SWRI-001 File 10b**

# MIDDLESEX WATER NDQ-MSEX

RECENT PRICE **36.54** P/E RATIO **23.9** (Trailing: 26.5 Median: 20.0) RELATIVE P/E RATIO **1.29** DIVD YLD **2.5%** VALUE LINE



Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Price	5.98	6.12	6.25	6.44	6.16	6.50	6.79	6.75	6.60	6.50	6.98	7.19	7.26	7.77	8.16	8.00	8.30	8.50	8.50	8.50	8.50	8.50
Gain	1.20	1.15	1.28	1.33	1.33	1.49	1.53	1.40	1.55	1.46	1.56	1.72	1.84	1.97	2.17	2.23	2.45	2.55	2.55	2.55	2.55	2.55
Loss	.73	.61	.73	.71	.82	.87	.89	.72	.96	.84	.90	1.03	1.13	1.22	1.38	1.38	1.55	1.65	1.65	1.65	1.65	1.65
Options	.63	.65	.66	.67	.68	.69	.70	.71	.72	.73	.74	.75	.76	.78	.81	.86	.91	.96	.96	.96	.96	.96
Ann'l Total Return	1.59	1.87	2.54	2.18	2.31	1.66	2.12	1.49	1.90	1.50	1.36	1.26	1.40	1.59	2.91	1.80	2.85	2.75	2.75	2.75	2.75	2.75
Price	7.39	7.60	8.02	8.26	9.52	10.05	10.03	10.33	11.13	11.27	11.48	11.82	12.24	12.74	13.40	14.02	14.85	15.15	15.15	15.15	15.15	15.15
Gain	10.36	10.48	11.36	11.58	13.17	13.25	13.40	13.52	15.57	15.70	15.82	15.96	16.12	16.23	16.30	16.35	16.50	16.75	16.75	16.75	16.75	16.75
Loss	23.5	30.0	26.4	27.4	22.7	21.6	19.8	21.0	17.8	21.7	20.8	19.7	18.5	19.1	25.6	28.4	28.4	28.4	28.4	28.4	28.4	28.4
Options	1.28	1.71	1.39	1.46	1.23	1.15	1.19	1.40	1.13	1.36	1.32	1.11	.97	.96	1.34	1.41	1.41	1.41	1.41	1.41	1.41	1.41
Ann'l Total Return	3.7%	3.5%	3.4%	3.5%	3.7%	3.7%	4.0%	4.7%	4.2%	4.0%	4.0%	3.7%	3.7%	3.3%	2.3%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues per sh	91.0	91.2	102.7	102.1	110.4	114.9	117.1	126.0	132.9	130.8	137	142	142	142	142	142	142	142	142	142	142	142
"Cash Flow" per sh	12.2	10.0	14.3	13.4	14.4	16.6	18.4	20.0	22.7	22.6	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5
Earnings per sh <sup>A</sup>	33.2%	34.1%	32.1%	32.7%	33.9%	34.1%	35.0%	34.5%	34.0%	32.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Div'd Decl'd per sh <sup>B</sup>	--	--	6.8%	6.1%	3.4%	1.9%	1.7%	1.9%	2.7%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Cap'l Spending per sh	45.6%	46.6%	43.1%	42.3%	41.5%	40.4%	40.5%	39.4%	37.9%	37.5%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
Book Value per sh	51.8%	52.1%	55.8%	56.6%	57.4%	58.7%	58.8%	59.8%	61.5%	61.8%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%
Common Shs Outst'g <sup>C</sup>	259.4	267.9	310.5	312.5	316.5	321.4	335.8	345.4	355.4	370.6	390	410	410	410	410	410	410	410	410	410	410	410
Avg Ann'l P/E Ratio	366.3	376.5	405.9	422.2	435.2	446.5	465.4	481.9	517.8	557.2	565	575	575	575	575	575	575	575	575	575	575	575
Relative P/E Ratio	5.8%	5.0%	5.7%	5.2%	5.4%	5.9%	6.3%	6.6%	7.1%	6.8%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Avg Ann'l Div'd Yield	8.6%	7.0%	8.1%	7.5%	7.8%	8.7%	9.2%	9.6%	10.3%	9.8%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Income Tax Rate	8.9%	7.0%	8.2%	7.5%	7.8%	8.7%	9.3%	9.6%	10.3%	9.8%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
AFUDC % to Net Profit	2.0%	.1%	2.1%	1.0%	1.4%	2.4%	3.1%	3.5%	4.3%	3.7%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Long-Term Debt Ratio	78%	98%	75%	87%	83%	73%	67%	63%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%
Common Equity Ratio	22.0%	2.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Total Capital (\$mill)	259.4	267.9	310.5	312.5	316.5	321.4	335.8	345.4	355.4	370.6	390	410	410	410	410	410	410	410	410	410	410	410
Net Plant (\$mill)	366.3	376.5	405.9	422.2	435.2	446.5	465.4	481.9	517.8	557.2	565	575	575	575	575	575	575	575	575	575	575	575
Return on Total Cap'l	5.8%	5.0%	5.7%	5.2%	5.4%	5.9%	6.3%	6.6%	7.1%	6.8%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Return on Shr. Equity	8.6%	7.0%	8.1%	7.5%	7.8%	8.7%	9.2%	9.6%	10.3%	9.8%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Return on Com Equity	8.9%	7.0%	8.2%	7.5%	7.8%	8.7%	9.3%	9.6%	10.3%	9.8%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Retained to Com Eq	2.0%	.1%	2.1%	1.0%	1.4%	2.4%	3.1%	3.5%	4.3%	3.7%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
All Div'ds to Net Prof	78%	98%	75%	87%	83%	73%	67%	63%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%

**CAPITAL STRUCTURE as of 12/31/17**  
 Total Debt \$173.9 mill. Due in 5 Yrs \$34.9 mill.  
 LT Debt \$139.0 mill. LT Interest \$5.5 mill.  
 (Total interest coverage: 9.5x)  
 (38% of Cap'l)

**Pension Assets-12/17 \$69.2 mill.**  
 Oblig. \$88.0 mill.

**Pfd Stock \$2.4 mill. Pfd Div'd: \$1 mill.**

**Common Stock 16,352,000 shs.**

**MARKET CAP: \$600 million (Small Cap)**

**CURRENT POSITION** 2015 2016 12/31/17 (\$MILL.)  
 Cash Assets 3.5 3.9 4.9  
 Other 20.9 22.8 24.3  
 Current Assets 24.4 26.7 29.2  
 Acc'ts Payable 6.5 12.3 13.9  
 Debt Due 8.7 18.2 34.9  
 Other 13.1 16.6 15.7  
 Current Liab. 28.3 47.1 64.5

**BUSINESS:** Middlesex Water Company engages in the ownership and operation of regulated water utility systems in New Jersey, Delaware, and Pennsylvania. It also operates water and wastewater systems under contract on behalf of municipal and private clients in NJ and DE. Its Middlesex System provides water services to 61,000 retail customers, primarily in Middlesex County, New Jersey. In 2016, the Middlesex System accounted for 58% of operating revenues. At 12/31/17, the company had 315 employees. Incorporated: NJ. President, CEO, and Chairman: Dennis W. Doll. Officers & directors own 3.5% of the common stock; BlackRock Institutional Trust Co., 7.2% (4/17 proxy). Add: 1500 Rensselaer Road, Iselin, NJ 08830. Tel: 732-634-1500. Internet: www.middlesexwater.com.

**Middlesex Water's 2017 bottom-line result was unchanged from the year-ago period.** The predominantly northeast utility operator delivered net income of \$1.38 a share last year, the same figure as reported in 2016. Revenues contracted a modest \$2.1 million, but margins improved fractionally, thanks largely to lower retirement benefit plan and insurance costs (water treatment and repair expenses increased, year over year). The slight top-line drag was likely attributed to lower overall average customer usage as a result of unfavorable and inconsistent weather in the region.

**There are several catalysts that suggest moderate revenue growth is on the horizon.** Middlesex recently received approval to increase its customer base water rates by 7.2% (roughly \$5.5 million). The initial filing was submitted in October of last year, and took effect as of April 1st. Second, Middlesex expanded its regulated water customer base in Delaware by over 4% last year, and ought to continue moving in this direction. Meanwhile, we think New Jersey consumption should stabilize, assuming weather conditions normalize somewhat.

Year	2015	2016	2017	2018	2019	Full Year
Quarterly Revenues (\$mill.)	28.8	31.7	34.7	30.8	30.8	126.0
Earnings per Share <sup>A</sup>	.22	.31	.41	.28	.28	1.22
Dividends Paid <sup>B</sup>	.19	.19	.19	.19	.19	.76

**That said, we are scaling back our current-year revenue call by \$6.0 million, to \$137 million.** This still represents a notable 5% annual improvement. At the same time, we are unveiling our introductory projection for 2019. We look for revenues to increase to \$142 million (+4% year over year).

**Substantial capital investment should remain the main theme into early next decade.** The company is embarking on its new plan, known as "Water for Tomorrow." With the abovementioned rate increase, plus savings on the income tax front (lower effective tax rate), MSEX aims to allocate nearly \$300 million over the next five years to a variety of infrastructure upgrades, water main replacements, and utility plant upgrades.

**This issue has been raised one notch for Timeliness, to 3.** But aside from its above-average dividend yield, MSEX shares do not presently stand out for either the short or long haul. Therefore, we continue to recommend staying on the sidelines, for now.

Nicholas P. Patrikis April 13, 2018

(A) Diluted earnings. Next earnings report due early May.	(B) Dividends historically paid in mid-Feb., May, Aug., and November. Div'd reinvestment plan available.	(C) In millions, adjusted for split.	Company's Financial Strength	B++
			Stock's Price Stability	70
			Price Growth Persistence	40
			Earnings Predictability	80

# **MK-SWRI-001 File 11**

# AMER. STATES WATER NYSE-AWR

RECENT PRICE **52.01** P/E RATIO **28.9** (Trailing: 27.7 Median: 20.0) RELATIVE P/E RATIO **1.56** DIV'D YLD **2.1%** VALUE LINE

TIMELINESS <b>3</b> Raised 3/9/18	High: 23.1	21.0	19.4	19.8	18.2	24.1	33.1	38.7	44.1	47.2	58.4	60.0	Target Price Range																																			
SAFETY <b>2</b> Raised 7/20/12	Low: 16.8	13.5	14.9	15.6	15.3	17.0	24.0	27.0	35.8	37.3	41.1	50.1	2021 2022 2023																																			
TECHNICAL <b>2</b> Raised 4/13/18	<p>LEGENDS</p> <ul style="list-style-type: none"> <li>1.35 x Dividends p sh divided by Interest Rate</li> <li>Relative Price Strength</li> <li>2-for-1 split 9/13</li> <li>Options: Yes</li> <li>Shaded area indicates recession</li> </ul>																																															
BETA .75 (1.00 = Market)																																																
2021-23 PROJECTIONS																																																
Price	Gain	Ann'l Total Return																																														
High 60	(+15%)	6%																																														
Low 45	(-15%)	-1%																																														
Insider Decisions																																																
<table border="1"> <tr><th></th><th>J</th><th>A</th><th>S</th><th>O</th><th>N</th><th>D</th><th>J</th><th>F</th></tr> <tr><td>to Buy</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Options</td><td>2</td><td>0</td><td>3</td><td>4</td><td>0</td><td>2</td><td>1</td><td>1</td></tr> <tr><td>to Sell</td><td>3</td><td>2</td><td>4</td><td>3</td><td>2</td><td>4</td><td>0</td><td>1</td></tr> </table>														J	A	S	O	N	D	J	F	to Buy	0	0	0	0	0	0	0	0	Options	2	0	3	4	0	2	1	1	to Sell	3	2	4	3	2	4	0	1
	J	A	S	O	N	D	J	F																																								
to Buy	0	0	0	0	0	0	0	0																																								
Options	2	0	3	4	0	2	1	1																																								
to Sell	3	2	4	3	2	4	0	1																																								
Institutional Decisions																																																
<table border="1"> <tr><th></th><th>2Q2017</th><th>3Q2017</th><th>4Q2017</th><th>Percent shares traded</th></tr> <tr><td>to Buy</td><td>96</td><td>104</td><td>104</td><td>24</td></tr> <tr><td>to Sell</td><td>84</td><td>79</td><td>77</td><td>16</td></tr> <tr><td>Hrs(000)</td><td>28355</td><td>27860</td><td>24143</td><td>8</td></tr> </table>														2Q2017	3Q2017	4Q2017	Percent shares traded	to Buy	96	104	104	24	to Sell	84	79	77	16	Hrs(000)	28355	27860	24143	8																
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Hrs(000)	28355	27860	24143	8																																												

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC 21-23	
6.89	6.99	6.81	7.03	7.88	8.75	9.21	9.74	10.71	11.12	12.12	12.19	12.17	12.56	11.92	12.01	12.65	12.45	Revenues per sh	15.35
1.27	1.04	1.11	1.32	1.45	1.65	1.69	1.70	2.11	2.13	2.48	2.65	2.67	2.81	2.70	2.96	3.05	3.25	"Cash Flow" per sh	4.00
.67	.39	.53	.66	.67	.81	.78	.81	1.11	1.12	1.41	1.61	1.57	1.61	1.62	1.88	1.85	2.00	Earnings per sh <sup>A</sup>	2.45
.44	.44	.44	.45	.46	.48	.50	.51	.52	.55	.64	.76	.83	.87	.91	.99	1.07	1.15	Div'd Decl'd per sh <sup>B</sup>	1.45
1.34	1.88	2.51	2.12	1.95	1.45	2.23	2.09	2.12	2.13	1.77	2.52	1.89	2.39	3.55	3.09	3.40	3.40	Cap'l Spending per sh	3.25
7.02	6.98	7.51	7.86	8.32	8.77	8.97	9.70	10.13	10.84	11.80	12.72	13.24	12.77	13.52	14.45	15.20	15.95	Book Value per sh <sup>D</sup>	17.35
30.36	30.42	33.50	33.60	34.10	34.46	34.60	37.06	37.26	37.70	38.53	38.72	38.29	36.50	36.57	36.68	36.80	37.00	Common Shs Outst'g <sup>C</sup>	37.50
18.3	31.9	23.2	21.9	27.7	24.0	22.6	21.2	15.7	15.4	14.3	17.2	20.1	24.6	25.6	25.7	25.7	25.7	Avg Ann'l P/E Ratio	22.0
1.00	1.82	1.23	1.17	1.50	1.27	1.36	1.41	1.00	.97	.91	.97	1.06	1.24	1.34	1.25	1.25	1.25	Relative P/E Ratio	1.20
3.6%	3.5%	3.6%	3.1%	2.5%	2.5%	2.9%	2.9%	3.0%	3.2%	3.1%	2.7%	2.6%	2.2%	2.2%	2.0%	2.0%	2.0%	Avg Ann'l Div'd Yield	2.8%

CAPITAL STRUCTURE as of 12/31/17																		
Total Debt \$380.3 mill. Due in 5 Yrs \$100.7 mill.																		
LT Debt \$321.0 mill. LT Interest \$21.3 mill. (38% of Cap'l)																		
Leases, Uncapitalized: Annual rentals \$2.3 mill.																		
Pension Assets-12/17 \$173.6 mill. Oblig. \$207.7 mill.																		
Pfd Stock None.																		
Common Stock 36,715,525 shs. as of 2/22/18																		
MARKET CAP: \$1.9 billion (Mid Cap)																		
CURRENT POSITION 2015 2016 12/31/17 (\$MILL)																		
Cash Assets 4.4 4 .2																		
Accts Receivable 18.9 20.0 26.1																		
Other 109.4 146.5 129.2																		
Current Assets 132.7 166.9 155.5																		
Accts Payable 50.6 43.7 51.0																		
Debt Due 28.3 90.3 59.3																		
Other 44.6 43.9 46.4																		
Current Liab. 123.5 177.9 156.7																		

**BUSINESS:** American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Co., it supplies water to 258,949 customers in 70 cities in 10 counties. Service areas include the metropolitan areas of Los Angeles and Orange Counties. The company also provides electricity to 24,274 customers in Big Bear Lake and San Bernardino Cnty. Provides water & wastewater services to U.S. military bases through its ASUS sub. Sold Chaparral City Wr. of AZ. (6/11). Employs 758. BlackRock, Inc. owns 11.7% of out. shares; Vanguard, 9.5%; off. & dir. 1.5%. (4/17 Proxy). Chairman: Lloyd Ross. Pres. & CEO: Robert Sprows, Inc. CA. Addr: 630 East Foothill Blvd., San Dimas, CA 91773. Tel: 909-394-3800. Internet: www.aswater.com.

<b>ANNUAL RATES of change (per sh)</b>				
Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '21-'23		
Revenues 5.5%	3.0%	4.5%		
"Cash Flow" 7.5%	6.5%	6.0%		
Earnings 10.0%	9.5%	6.5%		
Dividends 7.0%	10.5%	7.5%		
Book Value 5.5%	5.0%	4.0%		

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2015	100.9	114.6	133.0	110.1	458.6
2016	93.5	112.0	123.8	106.8	436.1
2017	98.8	113.2	124.4	104.2	440.6
2018	100	115	130	105	450
2019	102	118	133	107	460

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2015	.32	.41	.56	.31	1.60
2016	.28	.45	.59	.30	1.62
2017	.34	.62	.57	.35	1.88
2018	.35	.50	.60	.40	1.85
2019	.37	.58	.63	.42	2.00

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.2025	.2025	.213	.213	.83
2015	.213	.213	.224	.224	.87
2016	.224	.224	.224	.242	.91
2017	.242	.242	.255	.255	.99
2018	.255				

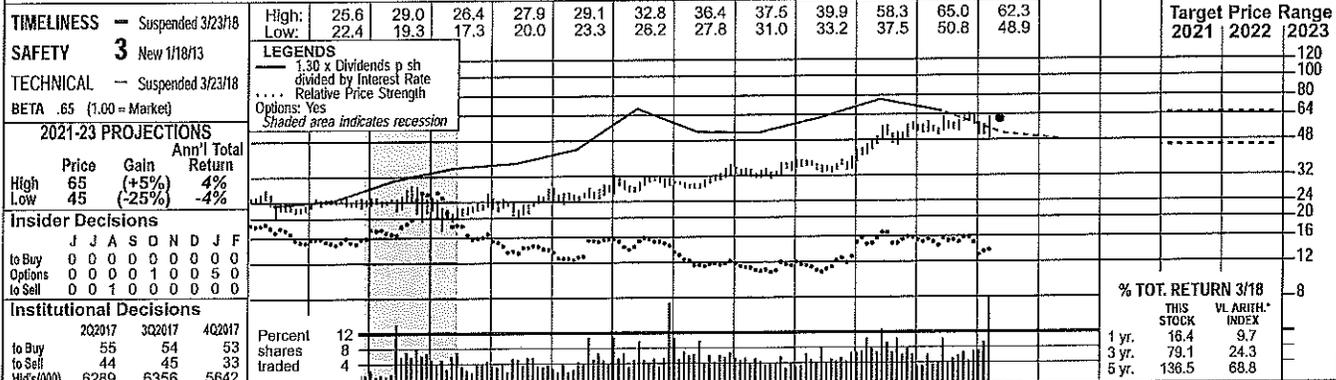
**California regulators recently granted American States Water a better return than it originally proposed.** In February, the California Public Utility Commission (CPUC) recommended an allowed return on equity (ROE) of 8.23% for the Golden State Water subsidiary, compared to the previous permitted rate of 9.43%. In the final ruling in March, however, the CPUC raised the level to 8.9%. Management believes that the top line will only be impacted by \$3.6 million with this new decision, as compared to the \$9.5 million in revenues it thought would be lost with a ROE of 8.23%. **Share earnings should be better than they appear this year.** We expect the company's share net to fall 2%, to \$1.85 in 2018. Last year's figures include a \$0.13-a-share gain resulting from the forced sale of its Ojai operations. Without this asset sale, however, the rise in estimated earnings per share would be a healthy 6%. **The momentum should continue into 2019.** We are introducing our share-earnings estimate for next year at \$2.00, reflecting a solid 8% increase over 2018. Our numbers are based upon the assumption of reasonable regulatory treatment. In 2017, American States filed a petition seeking higher revenues for 2019-2021. A final decision should be made by yearend. **Lower taxes should not have an impact on the company.** In 2017, the new tax legislation was basically a wash for American States. The savings generated from the reduced taxes in the years ahead will most certainly be passed on to customers. **The nonutility segment continues to grow in importance.** Last year, the ASUS business, which provides water services to 11 military installations, posted an 11% gain in earnings per share, to \$0.37. As the U.S. military privatizes more bases, we expect ASUS to win its fair share of these 50-year contracts. **The stock does not stand out at this juncture.** AWR's positives include low volatility, strong finances, and well-defined earnings and dividend growth prospects. Nevertheless, despite raising our 3-to-5-year total return projections, we think investors can find stocks with similar risk profiles at better prices. *James A. Flood April 13, 2018*

(A) Primary earnings. Excludes nonrecurring gains/losses: '04, 7¢; '05, 13¢; '06, 3¢; '08, (14¢); '10, (23¢); '11, 10¢. Next earnings report due early May. (B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available. (C) In millions, adjusted for split. (D) Includes intangibles. As of 12/31/17; \$7.9 million/\$0.22 a share. Company's Financial Strength **A** Stock's Price Stability **80** Price Growth Persistence **75** Earnings Predictability **90**

# **MK-SWRI-001 File 12**

# CONNECTICUT WATER NDQ-CTWS

RECENT PRICE **61.21** P/E RATIO **27.8** (Trailing: 28.7 Median: 20.0) RELATIVE P/E RATIO **1.50** DIVD YLD **1.9%** **VALUE LINE**



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
5.77	5.91	6.04	5.81	5.68	7.05	7.24	6.93	7.65	7.93	9.47	8.29	8.45	8.58	8.77	8.87	9.45	9.95	10.45	10.95	11.45	11.95
1.78	1.89	1.91	1.62	1.52	1.90	1.95	1.93	2.04	2.11	2.64	2.63	2.97	3.18	3.31	3.58	3.80	3.90	4.00	4.10	4.20	4.30
1.12	1.15	1.16	.88	.81	1.05	1.11	1.19	1.13	1.13	1.53	1.66	1.92	2.04	2.08	2.13	2.30	2.40	2.50	2.60	2.70	2.80
.81	.83	.84	.85	.86	.87	.88	.90	.92	.94	.96	.98	1.01	1.05	1.12	1.18	1.24	1.30	1.36	1.42	1.48	1.54
1.98	1.49	1.58	1.96	1.96	2.24	2.44	3.28	3.06	2.61	2.79	3.02	4.11	4.29	5.93	4.50	4.45	4.00	3.55	3.10	2.65	2.20
10.06	10.46	10.94	11.52	11.60	11.95	12.23	12.67	13.05	13.50	20.95	17.92	18.83	20.01	20.98	24.32	24.70	25.70	26.70	27.70	28.70	29.70
7.94	7.97	8.04	8.17	8.27	8.38	8.46	8.57	8.68	8.76	8.85	11.04	11.12	11.19	11.25	12.07	12.15	12.25	12.35	12.45	12.55	12.65
24.3	23.5	22.9	28.6	29.0	23.0	22.2	18.4	20.7	23.0	19.4	18.4	17.5	17.6	23.3	26.5	29.7	32.9	36.1	39.3	42.5	45.7
1.33	1.34	1.21	1.52	1.57	1.22	1.34	1.23	1.32	1.44	1.23	1.03	.92	.89	1.22	1.32	1.42	1.52	1.62	1.72	1.82	1.92
3.0%	3.0%	3.1%	3.4%	3.6%	3.6%	3.6%	4.1%	3.9%	3.6%	3.2%	3.2%	3.0%	2.9%	2.3%	2.1%	2.0%	1.9%	1.8%	1.7%	1.6%	1.5%

CAPITAL STRUCTURE as of 12/31/17		2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Debt	\$259.6 mill.	61.3	59.4	66.4	69.4	83.8	91.5	94.0	96.0	98.7
LT Debt	\$253.4 mill.	9.4	10.2	9.8	9.9	13.6	18.3	21.3	22.8	23.4
Leases, Uncapitalized	Annual rentals \$3.3 mill.	27.2%	19.5%	35.2%	41.3%	32.0%	28.0%	14.4%	3.5%	9.9%
Pension Assets	-12/16 \$73.1 mill.	1.7%	--	--	--	1.7%	2.0%	2.4%	2.3%	5.1%
Obliq.	\$88.6 mill.	46.9%	50.6%	49.5%	53.2%	49.0%	46.9%	45.7%	44.1%	45.4%
Pfd Stock	\$0.8 mill.	52.7%	49.1%	50.2%	46.5%	50.8%	52.9%	54.1%	55.7%	54.4%
Pfd Divd	NMF	196.5	221.3	225.6	254.2	364.6	373.6	386.8	402.4	433.8
Common Stock	12,065,016 shs.	302.3	325.2	344.2	362.4	447.9	471.9	506.9	546.3	601.4
MARKET CAP:	\$750 million (Small Cap)	5.9%	5.5%	5.4%	4.9%	4.8%	5.9%	6.4%	6.5%	6.3%
CURRENT POSITION (\$MILL.)		9.0%	9.3%	8.6%	8.3%	7.3%	9.2%	10.1%	10.1%	9.9%
Cash Assets		9.1%	9.4%	8.7%	8.3%	7.3%	9.2%	10.2%	10.1%	9.9%
Accounts Receivable		1.9%	2.3%	1.6%	1.4%	2.8%	3.8%	4.8%	4.9%	4.6%
Other		79%	76%	81%	83%	62%	59%	53%	52%	54%

**BUSINESS:** Connecticut Water Service, Inc. is a non-operating holding company, whose income is derived from earnings of its wholly-owned subsidiary companies (regulated water utilities). In 2017, 95% of net income was derived from these activities. Provides water services to 450,000 people in 80 municipalities throughout Connecticut and Maine. Acquired The Maine Water Company, January, 2012; Biddeford and Saco Water, December, 2012; Heritage Village, February, 2017. Inc.: Conn. Has 294 employees. Chairman/President/Chief Executive Officer: Eric W. Thornburg. Officers and directors own 2.5% of the common stock; BlackRock, Inc., 7.2% (4/17 proxy). Address: 93 West Main Street, Clinton, CT 06413. Telephone: (860) 669-8636. Internet: www.ctwater.com.

**Connecticut Water Service has agreed to a definitive merger with SJW Group.** Specifically, the all-stock deal, carrying an enterprise value of \$2.6 billion, entitles CTWS shareholders to receive 1.1375 shares of SJW Group common stock (valued at \$59.62) for each share of CTWS held. Effectively, SJW Group will own 60% of the business, with Connecticut owning the remaining 40%. However, Eric W. Thornburg, current chairman, president, and CEO of the latter, will be at the helm. Once completed, the newly formed company will serve approximately 1.5 million customers across California, Texas, Connecticut, and Maine. Annual revenues are expected to be in the realm of \$500 million. In addition, the two utilities have assured customers that they would not implement an immediate rate increase. This is a nonissue for Connecticut, as its most recent rate approval took effect last December (adding \$1.5 million per year to its top line). Further down the road, we think periodic rate hikes, as per usual, are in the cards for the combined entity. Finally, the transaction is slated to close by the end of this year, and is subject to regulatory and shareholder approval.

**In the meantime, Connecticut delivered impressive revenue growth to conclude 2017.** Its fourth-quarter top-line haul of nearly \$25 million bested our \$23.8 million call, and rose more than 15% from the previous-year tally. The jump in revenues can be attributed to relatively recent acquisitions of Heritage Village Water and the Avon Water Company, as well as cost recovery for completed infrastructure projects and general rate increases. For 2018, our model forecasts modest top-line growth, to \$115 million, while our introductory revenue estimate for next year (exclusive of the above-mentioned merger) comes in at \$122 million. **Aggressive capital investment ought to persist on its normal schedule.** CTWS is on track to mirror 2017's spending budget of \$66 million. The company's primary objectives remain upgrading outdated water pipes and mains, and general improvements at water treatment plants. **Shares of Connecticut Water are unranked for Timeliness due to the pending merger.**

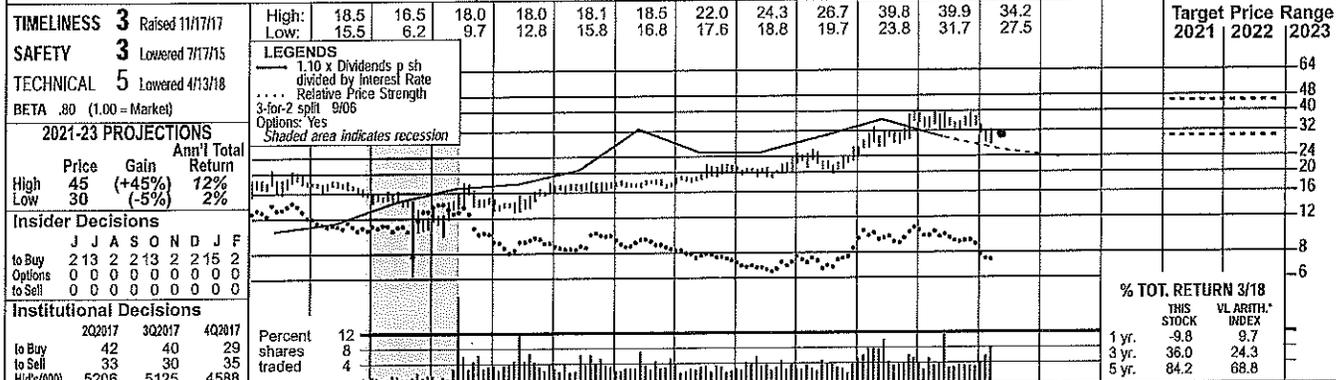
*Nicholas P. Patrikis* April 13, 2018

(A) Diluted earnings. Next earnings report due late May.	vestment plan available.	Company's Financial Strength	B+
(B) Dividends historically paid in mid-March, June, September, and December. ■ Div'd rein-	(C) in millions	Stock's Price Stability	90
	tion/\$5.55 a share.	Price Growth Persistence	50
		Earnings Predictability	85

# **MK-SWRI-001 File 13**

# YORK WATER NDQ-YORW

RECENT PRICE **30.80** P/E RATIO **29.6** (Trailing: 30.5 Median: 24.0) RELATIVE P/E RATIO **1.60** DIV'D YLD **2.2%** **VALUE LINE**



2021-23 PROJECTIONS	High	Price	Gain	Ann'l Total Return
	45	30	(+45%)	12%
	30	30	(-5%)	2%

Insider Decisions	J	J	A	S	O	N	D	J	F
To Buy	2	13	2	2	2	2	15	2	2
To Sell	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0

Institutional Decisions	2Q2017	3Q2017	4Q2017	Percent shares traded
To Buy	42	40	29	12
To Sell	33	30	35	8
Hld's(000)	5206	5125	4588	4

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	20	21-23
2.05	2.17	2.18	2.58	2.56	2.79	2.89	2.95	3.07	3.18	3.21	3.27	3.58	3.68	3.70	3.77	3.90	4.05	4.05	Revenues per sh
.57	.65	.65	.79	.77	.86	.88	.95	1.07	1.09	1.12	1.19	1.36	1.45	1.42	1.53	1.65	1.75	1.75	"Cash Flow" per sh
.40	.47	.49	.56	.58	.57	.57	.64	.71	.71	.72	.75	.89	.97	.92	1.01	1.05	1.15	1.15	Earnings per sh <sup>A</sup>
.35	.37	.39	.42	.45	.48	.49	.51	.52	.53	.54	.55	.57	.60	.63	.65	.70	.75	.75	Div'd Dec'd per sh <sup>B</sup>
.66	1.07	2.50	1.69	1.85	1.69	2.17	1.18	.83	.74	.94	.76	1.10	1.11	1.03	1.95	1.50	1.25	1.25	Cap'l Spending per sh
3.90	4.06	4.65	4.85	5.84	5.97	6.14	6.92	7.19	7.45	7.73	7.98	8.15	8.51	8.88	9.28	9.80	10.30	10.30	Book Value per sh
9.55	9.63	10.33	10.40	11.20	11.27	11.37	12.56	12.69	12.79	12.92	12.98	12.83	12.81	12.85	12.87	12.75	12.65	12.65	Common Shs Outst'g <sup>C</sup>
26.9	24.5	25.7	26.3	31.2	30.3	24.6	21.9	20.7	23.9	24.4	26.3	23.1	23.5	32.8	34.6	34.6	34.6	34.6	Avg Ann'l P/E Ratio
1.47	1.40	1.36	1.40	1.68	1.61	1.48	1.46	1.32	1.50	1.55	1.48	1.22	1.18	1.72	1.72	1.72	1.72	1.72	Relative P/E Ratio
3.3%	3.2%	3.1%	2.9%	2.5%	2.8%	3.5%	3.6%	3.5%	3.1%	3.1%	2.8%	2.8%	2.6%	2.1%	1.9%	1.9%	1.9%	1.9%	Avg Ann'l Div'd Yield

CAPITAL STRUCTURE as of 12/31/17	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	20	21-23
Total Debt \$90.1 mill. Due in 5 Yrs \$42.5 mill. LT Debt \$90.1 mill. LT Interest \$5.3 mill.	32.8	37.0	39.0	40.6	41.4	42.4	45.9	47.1	47.6	48.6	49.5	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	Revenues (\$mill)
	6.4	7.5	8.9	9.1	9.3	9.7	11.5	12.5	11.8	13.0	13.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	Net Profit (\$mill)
	36.1%	37.9%	38.5%	35.3%	37.6%	37.6%	29.8%	27.5%	31.3%	25.9%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	Income Tax Rate
	10.1%	--	1.2%	1.1%	1.1%	1.1%	1.8%	1.8%	1.6%	1.9%	6.7%	2.0%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	AFUDC % to Net Profit
	54.5%	45.7%	48.3%	47.1%	46.0%	45.1%	44.8%	44.4%	42.6%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	Long-Term Debt Ratio
	45.5%	54.3%	51.7%	52.9%	54.0%	54.9%	55.2%	55.6%	57.4%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	Common Equity Ratio
	153.4	160.1	176.4	180.2	184.8	188.4	189.4	196.3	198.7	209.5	220	230	230	230	230	230	230	230	230	Total Capital (\$mill)
	211.4	222.0	228.4	233.0	240.3	244.2	253.2	261.4	270.9	288.8	295	300	300	300	300	300	300	300	300	Net Plant (\$mill)
	5.7%	6.2%	6.5%	6.4%	6.4%	6.5%	7.4%	7.6%	7.2%	7.5%	7.0%	7.5%	7.5%	7.0%	7.5%	7.5%	7.5%	7.5%	7.5%	Return on Total Cap'l
	9.2%	8.6%	9.8%	9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	10.9%	10.5%	11.0%	11.5%	10.4%	10.9%	10.5%	11.0%	11.0%	11.0%	Return on Shr. Equity
	9.2%	8.6%	9.8%	9.5%	9.3%	9.3%	11.0%	11.5%	10.4%	10.9%	10.5%	11.0%	11.5%	10.4%	10.9%	10.5%	11.0%	11.0%	11.0%	Return on Com Equity
	1.4%	1.9%	2.7%	2.5%	2.4%	2.4%	3.9%	4.4%	3.4%	4.0%	3.5%	4.0%	4.4%	3.4%	4.0%	3.5%	4.0%	4.0%	4.0%	Retained to Com Eq
	85%	78%	72%	73%	74%	74%	64%	62%	67%	63%	67%	65%	65%	67%	63%	67%	65%	65%	65%	All Div'ds to Net Prof

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Past Est'd '15-'17 to '21-'23
Revenues	3.5%	3.5%	6.5%
"Cash Flow"	6.0%	6.0%	7.5%
Earnings	5.5%	6.5%	9.0%
Dividends	3.5%	3.5%	8.0%
Book Value	5.0%	3.5%	4.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	Year
2015	11.2 11.9 12.4 11.6	47.1
2016	11.3 11.8 12.6 11.9	47.6
2017	11.3 12.3 12.7 12.3	48.6
2018	11.5 12.5 13.0 12.5	49.5
2019	12.0 12.8 13.3 12.9	51.0

Cal-endar	EARNINGS PER SHARE <sup>A</sup>	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	Year
2015	.20 .22 .28 .27	.97
2016	.19 .23 .27 .23	.92
2017	.20 .23 .31 .27	1.01
2018	.22 .24 .31 .28	1.05
2019	.24 .27 .33 .31	1.15

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	Year
2014	.1431 .1431 .1431 .1431	.572
2015	.1495 .1495 .1495 .1555	.604
2016	.1555 .1555 .1555 .1602	.627
2017	.1602 .1602 .1602 .1666	.647
2018	.1666	

**BUSINESS:** The York Water Company is the oldest investor-owned regulated water utility in the United States. It has operated continuously since 1816. As of December 31, 2017, the company's average daily availability was 35.4 million gallons and its service territory had an estimated population of 198,000. Has more than 69,000 customers. Residential customers accounted for 64% of 2017 revenues; commercial and industrial (28%); other (8%). It also provides sewer billing services. Incorporated: PA. York had 102 full-time employees at 12/31/17. President/CEO: Jeffrey R. Hines. Officers/directors own 1.1% of the common stock (3/18 proxy). Address: 130 East Market Street, York, Pennsylvania 17401. Telephone: (717) 845-3601. Internet: www.yorkwater.com.

**We are modestly scaling back our profit outlook for York Water.** The utility posted net income of \$1.01 a share for 2017, \$0.04 shy of our call, but up nicely on an annual basis. Operation and maintenance expenses, plus general and administrative costs, were nearly 38% of total revenues last year. And we suspect that rising water production costs and higher salaries ought to persist in 2018. While a lower effective tax rate is undoubtedly a positive, we think the above-noted factors are apt to be offsetting. Thus, we are trimming a dime from our 2018 earnings estimate, to \$1.05 a share. Bottom-line growth may be more apparent in 2019, though, as our model forecasts share net of \$1.15.

**York stock is off to a rocky start to the year.** Shares of the regulated water utility are down almost 10% in value since the beginning of the year. We think this is due partly to selling pressure from broader market indices, as well as York's relatively stretched valuation. Shares hit an all-time high of just under \$40 per share midway through 2017.

**Capital spending ought to continue in full force.** York nearly doubled its expenditures last year (\$24.6 million) when compared to 2016. We expect similar (albeit slightly less aggressive) spending over the pull to next decade, as the company looks to rapidly improve its aging infrastructure, namely raw water pumping stations and pipe replacements. In fact, management guided capital spending of about \$23 million and \$20 million for 2018 and 2019, respectively. Furthermore, in our view, hardware upgrades ought to translate into more-efficient service and operations over the long haul. Lastly, we would not be surprised to see a rate-hike filing sometime this year, which helps recoup some of the projected spending.

**We think investors can find more-attractive options elsewhere, at this juncture.** York Water shares are ranked to move in line with the year-ahead broader market averages (Timeliness: 3). Meanwhile, capital appreciation potential over the 3- to 5-year stretch is subpar. What's more, the dividend yield is just about level with the Value Line median and the majority of its utility peers.

Nicholas P. Patrikis  
 April 13, 2018

# **MK-SWRI-001 File 14**

# PRINCIPLES OF CORPORATE FINANCE

EIGHTH EDITION

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London Business School

STEWART C. MYERS

Gordon Y. Billard Professor of Finance  
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FRANKLIN ALLEN

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**McGraw-Hill  
Irwin**

Boston Burr Ridge, IL Dubuque, IA Madison, WI New York San Francisco St. Louis  
Bangkok Bogotá Caracas Kuala Lumpur Lisbon London Madrid Mexico City  
Milan Montreal New Delhi Santiago Seoul Singapore Sydney Taipei Toronto

pected return of 10 percent in the capital markets. The net present value of such project would be

$$\text{NPV} = -100 + \frac{108.8}{1.1} = -1.1$$

*Moral:* If the cost of capital is estimated from historical returns or risk premiums, use arithmetic averages, not compound annual rates of return.<sup>8</sup>

### Using Historical Evidence to Evaluate Today's Cost of Capital

Suppose there is an investment project which you *know*—don't ask how—has the same risk as Standard and Poor's Composite Index. We will say that it has the same degree of risk as the *market portfolio*, although this is speaking somewhat loosely, because the index does not include all risky securities. What rate should you use to discount this project's forecasted cash flows?

Clearly you should use the currently expected rate of return on the market portfolio; that is the return investors would forgo by investing in the proposed project. Let us call this market return  $r_m$ . One way to estimate  $r_m$  is to assume that the future will be like the past and that today's investors expect to receive the same "normal" rates of return revealed by the averages shown in Table 7.1. In this case, you would set  $r_m$  at 11.7 percent, the average of past market returns.

Unfortunately, this is *not* the way to do it;  $r_m$  is not likely to be stable over time. Remember that it is the sum of the risk-free interest rate  $r_f$  and a premium for risk. We know that  $r_f$  varies. For example, in 1981 the interest rate on Treasury bills was about 15 percent. It is difficult to believe that investors in that year were content to hold common stocks offering an expected return of only 11.7 percent.

If you need to estimate the return that investors expect to receive, a more sensible procedure is to take the interest rate on Treasury bills and add 7.6 percent, the average risk premium shown in Table 7.1. For example, as we write this in early 2004 the interest rate on Treasury bills is about 1 percent. Adding on the average risk premium, therefore, gives

$$\begin{aligned} r_m(2004) &= r_f(2004) + \text{normal risk premium} \\ &= .01 + .076 = .086, \text{ or about } 8.5\% \end{aligned}$$

The crucial assumption here is that there is a normal, stable risk premium on the market portfolio, so that the expected *future* risk premium can be measured by the average past risk premium.

Even with over 100 years of data, we can't estimate the market risk premium exactly; nor can we be sure that investors today are demanding the same reward for risk that they were 50 or 100 years ago. All this leaves plenty of room for argument about what the risk premium *really* is.<sup>9</sup>

<sup>8</sup>Our discussion above assumed that we *know* that the returns of -10, +10, and +30 percent were equally likely. For an analysis of the effect of uncertainty about the expected return see I. A. Cooper, "Arithmetic Versus Geometric Mean Estimators: Setting Discount Rates for Capital Budgeting," *European Financial Management* 2 (July 1996), pp. 157-167.

<sup>9</sup>Some of the disagreements simply reflect the fact that the risk premium is sometimes defined in different ways. Some measure the average difference between stock returns and the returns (or yields) on long-term bonds. Others measure the difference between the compound rate of growth on stocks and the interest rate. As we explained above, this is not an appropriate measure of the cost of capital.

Many financial managers and economists believe that long-run historical returns are the best measure available. Others have a gut instinct that investors don't need such a large risk premium to persuade them to hold common stocks.<sup>10</sup> For example, two recent surveys of financial economists revealed that they expected a risk premium of between 5.5 percent and 7 percent,<sup>11</sup> while surveys of chief financial officers have suggested an average risk premium of 5.6 percent.<sup>12</sup>

If you believe that the expected market risk premium is less than the historical average, you probably also believe that history has been unexpectedly kind to investors in the United States and that their good luck is unlikely to be repeated. Here are two reasons that history *may* overstate the risk premium that investors demand today.

**Reason 1** Since 1900 the United States has been among the world's most prosperous countries. Other economies have languished or been wracked by war or civil unrest. By focusing on equity returns in the United States, we may obtain a biased view of what investors expected. Perhaps the historical averages miss the possibility that the United States could have turned out to be one of these less-fortunate countries.<sup>13</sup>

Figure 7.3 sheds some light on this issue. It is taken from a comprehensive study by Dimson, Marsh, and Staunton of market returns in 16 countries and shows the average risk premium in each country between 1900 and 2003.<sup>14</sup> Although U.S. investors are far from top of the form in terms of risk premium that they have earned, they do appear to have been slightly luckier than the average investor in the 16 countries.

In Figure 7.3 Danish stocks come bottom of the league; the average risk premium in Denmark was only 4.3 percent. The clear winner was Italy with a premium of 10.7 percent. Some of these differences between countries may reflect differences in risk. For example, Italian stocks have been particularly variable and investors may have required a higher return to compensate. But remember how difficult it is to make precise estimates of what investors expected. You probably would not be too far out if you concluded that the *expected* risk premium was the same in each country.

<sup>10</sup>There is some theory behind this instinct. The high risk premium earned in the market seems to imply that investors are extremely risk-averse. If that is true, investors ought to cut back their consumption when stock prices fall and wealth decreases. But the evidence suggests that when stock prices fall, investors spend at nearly the same rate. This is difficult to reconcile with high risk aversion and a high market risk premium. See R. Mehra and E. Prescott, "The Equity Premium: A Puzzle," *Journal of Monetary Economics* 15 (1985), pp. 145-161.

<sup>11</sup>The 7 percent figure comes from a survey conducted in 1998 and is reported in Ivo Welch, "Views of Financial Economists on the Equity Premium and on Professional Controversies," *Journal of Business* 73 (2000), pp. 501-537. The 5.5 percent figure comes from a follow-up survey in 2001, reported in Ivo Welch, "The Equity Premium Consensus Forecast Revisited," Cowles Foundation Discussion Paper No. 1325, Yale School of Management, September 2001.

<sup>12</sup>These surveys were conducted between 2000 and 2003 and are reported in J. R. Graham and C. R. Harvey, "Expectations of Equity Risk Premium, Volatility and Asymmetry from a Corporate Finance Perspective" working paper, Duke University, Fuqua School of Business, July 2003. The CFOs forecasted a risk premium of 3.8 percent over 10-year Treasury bond yields, which is equivalent to 5.6 percent over the yield on 3-month Treasury bills.

<sup>13</sup>This possibility was suggested in F. Jorion and W. N. Goetzmann, "Global Stock Markets in the Twentieth Century," *Journal of Finance* 54 (June 1999), pp. 953-980.

<sup>14</sup>See E. Dimson, P. R. Marsh, and M. Staunton, *Triumph of the Optimists: 101 Years of Investment Returns* (Princeton, NJ: Princeton University Press, 2002).

Fin. Econ.  
Yale 5.5%  
✓

2003  
3.8%  
relative to  
10-year  
Treasury

Thus a fall from 10 percent to 9 percent in the required return leads to a 50 percent rise in the stock price. If we include this price rise in our measures of past returns, we will be doubly wrong in our estimate of the risk premium. First, we will overestimate the return that investors required in the past. Second, we will fail to recognize that the return investors require in the future is lower than they needed in the past.

### An Alternative Measure of the Risk Premium

We can check our measure of the risk premium by going back to the constant-growth model that we introduced in Chapter 4. One might expect that in the long run stock prices should keep pace with the growth in dividends. In this case an alternative measure of the expected market return is the average dividend yield plus the average long-term growth in dividends. Since 1900 dividend yields in the United States have averaged 4.7 percent and the annual growth in dividends has likewise been 4.7 percent. It seems that the *expected* market return over this period was 9.4 percent, or about 5.3 percent above the risk-free interest rate. This is 2.3 percent lower than the *realized* risk premium reported in Table 7.1.<sup>15</sup>

Fama and French have pointed out that much of this difference is due to the second half of the twentieth century, when dividend yields fell sharply.<sup>16</sup> Since 1950 dividend yields have averaged under 3.9 percent and the annual growth in dividends has been 5.4 percent.

This suggests that the expected market return during this period was  $3.9 + 5.4 = 9.3$  percent, or 4 percent above the average risk-free interest rate since 1950.

Out of this debate only one firm conclusion emerges: Do not trust anyone who claims to *know* what returns investors expect. History contains some clues, but ultimately we have to judge whether investors on average have received what they expected. Many financial economists rely on the evidence of history and therefore work with a risk premium of about 7.5 percent. The remainder generally use a somewhat lower figure. Brealey, Myers, and Allen have no official position on the issue, but we believe that a range of 5 to 8 percent is reasonable for the risk premium in the United States.

Fama  
French



## 7.2 MEASURING PORTFOLIO RISK

You now have a couple of benchmarks. You know the discount rate for safe projects, and you have an estimate of the rate for average-risk projects. But you *don't* know yet how to estimate discount rates for assets that do not fit these simple

<sup>15</sup>Note, however, that depending on your forecasts of dividend growth, the constant-growth model can come up with estimates of the expected risk premium that are either higher or lower than the realized premium. In Chapter 4 we described a study by Marston and Harris, which used the constant-growth model to estimate the market risk premium. The study, which employed analysts' forecasts of long-term earnings growth, estimated that the expected risk premium was 9.3 percent. However, we also noted in Chapter 4 that analysts tend to be unduly optimistic in their earnings forecasts.

<sup>16</sup>See E. F. Fama and K. R. French, "The Equity Premium," *Journal of Finance* 57 (April 2002), pp. 637-659. Fama and French quote even lower estimates of the risk premium. The difference largely reflects the fact that they define the risk premium as the difference between market returns and the commercial paper rate. Except for the years 1900-1913, the interest rates used in Table 7.1 are the rates on U.S. Treasury bills.

Marston  
Harris

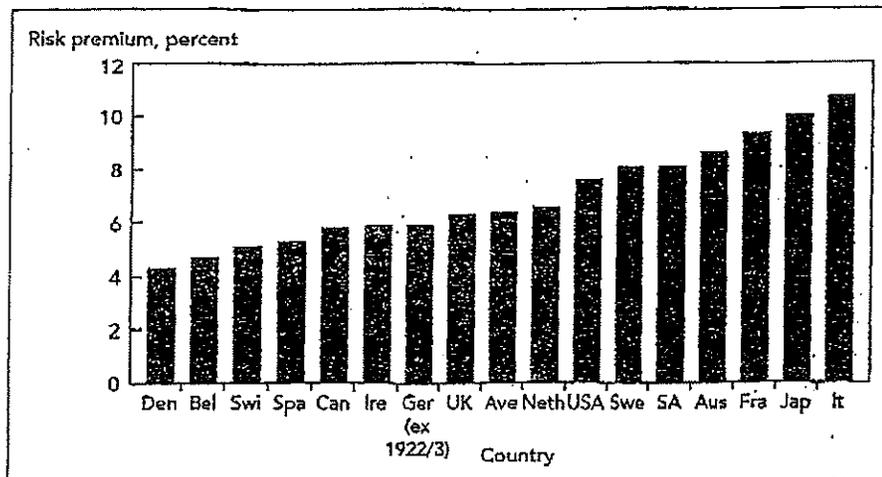


FIGURE 7.3

Average market risk premia (nominal return on stocks minus nominal return on bills), 1900-2003.

Source: E. Dimson, P. R. Marsh, and M. Staunton, *Triumph of the Optimists: 101 Years of Investment Returns* (Princeton, NJ: Princeton University Press, 2002), with updates provided by the authors.

**Reason 2** Stock prices in the United States have for some years outpaced the growth in company dividends or earnings. For example, between 1950 and 2000 dividend yields in the United States fell from 7.2 percent to 1.2 percent. It seems unlikely that investors *expected* such a sharp decline in yields, in which case some part of the actual return during this period was *unexpected*.

Some believe that the low dividend yields at the end of the twentieth century reflected optimism that the new economy would lead to a golden age of prosperity and surging profits, but others attribute the low yields to a reduction in the market risk premium. Perhaps the growth in mutual funds has made it easier for individuals to diversify away part of their risk, or perhaps pension funds and other financial institutions have found that they also could reduce their risk by investing part of their funds overseas. If these investors can eliminate more of their risk than in the past, they may become content with a lower return.

To see how a rise in stock prices can stem from a fall in the risk premium, suppose that a stock is expected to pay a dividend next year of \$12 ( $DIV_1 = 12$ ). The stock yields 3 percent and the dividend is expected to grow indefinitely by 7 percent a year ( $g = .07$ ). Therefore the total return that investors expect is  $r = 3 + 7 = 10$  percent. We can find the stock's value by plugging these numbers into the present value growth formula that we introduced in Chapter 3:

$$PV = DIV_1 / (r - g) = 12 / (.10 - .07) = \$400$$

Now suppose that investors now revise downward their required return to  $r = 9$  percent. The dividend yield falls to 2 percent and the value of the stock rises to

$$PV = DIV_1 / (r - g) = 12 / (.09 - .07) = \$600$$

# **MK-SWRI-001 File 15**

# FEDERAL RESERVE press release



For release at 2 p.m. EDT

May 2, 2018

Information received since the Federal Open Market Committee met in March indicates that the labor market has continued to strengthen and that economic activity has been rising at a moderate rate. Job gains have been strong, on average, in recent months, and the unemployment rate has stayed low. Recent data suggest that growth of household spending moderated from its strong fourth-quarter pace, while business fixed investment continued to grow strongly. On a 12-month basis, both overall inflation and inflation for items other than food and energy have moved close to 2 percent. Market-based measures of inflation compensation remain low; survey-based measures of longer-term inflation expectations are little changed, on balance.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee expects that, with further gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace in the medium term and labor market conditions will remain strong. Inflation on a 12-month basis is expected to run near the Committee's symmetric 2 percent objective over the medium term. Risks to the economic outlook appear roughly balanced.

In view of realized and expected labor market conditions and inflation, the Committee decided to maintain the target range for the federal funds rate at 1-1/2 to 1-3/4 percent. The stance of monetary policy remains accommodative, thereby supporting strong labor market conditions and a sustained return to 2 percent inflation.

In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments. The Committee will carefully monitor actual and expected inflation developments relative to its symmetric inflation goal. The Committee expects that economic

(more)

For release at 2 p.m. EDT

May 2, 2018

- 2 -

conditions will evolve in a manner that will warrant further gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run. However, the actual path of the federal funds rate will depend on the economic outlook as informed by incoming data.

Voting for the FOMC monetary policy action were Jerome H. Powell, Chairman; William C. Dudley, Vice Chairman; Thomas I. Barkin; Raphael W. Bostic; Lael Brainard; Loretta J. Mester; Randal K. Quarles; and John C. Williams.

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### **Decisions Regarding Monetary Policy Implementation**

The Federal Reserve has made the following decisions to implement the monetary policy stance announced by the Federal Open Market Committee in its statement on May 2, 2018:

- The Board of Governors of the Federal Reserve System voted unanimously to maintain the interest rate paid on required and excess reserve balances at 1.75 percent, effective May 3, 2018.
- As part of its policy decision, the Federal Open Market Committee voted to authorize and direct the Open Market Desk at the Federal Reserve Bank of New York, until instructed otherwise, to execute transactions in the System Open Market Account in accordance with the following domestic policy directive:

“Effective May 3, 2018, the Federal Open Market Committee directs the Desk to undertake open market operations as necessary to maintain the federal funds rate in a target range of 1-1/2 to 1-3/4 percent, including overnight reverse repurchase operations (and reverse repurchase operations with maturities of more than one day when necessary to accommodate weekend, holiday, or similar trading conventions) at an offering rate of 1.50 percent, in amounts limited only by the value of Treasury securities held outright in the System Open Market Account that are available for such operations and by a per-counterparty limit of \$30 billion per day.

The Committee directs the Desk to continue rolling over at auction the amount of principal payments from the Federal Reserve's holdings of Treasury securities maturing during each calendar month that exceeds \$18 billion, and to reinvest in agency mortgage-backed securities the amount of principal payments from the Federal Reserve's holdings of agency debt and agency mortgage-backed securities received during each calendar month that exceeds \$12 billion. Small deviations from these amounts for operational reasons are acceptable.

The Committee also directs the Desk to engage in dollar roll and coupon swap transactions as necessary to facilitate settlement of the Federal Reserve's agency mortgage-backed securities transactions.”

- In a related action, the Board of Governors of the Federal Reserve System voted unanimously to approve the establishment of the primary credit rate at the existing level of 2.25 percent.

This information will be updated as appropriate to reflect decisions of the Federal Open Market Committee or the Board of Governors regarding details of the Federal Reserve's operational tools and approach used to implement monetary policy.

More information regarding open market operations and reinvestments may be found on the Federal Reserve Bank of New York's website.