



Essential Utilities Announces Pricing of Common Stock Offering with a Forward Component

August 11, 2020

BRYN MAWR, Pa.--(BUSINESS WIRE)--Aug. 11, 2020-- Essential Utilities Inc. (NYSE: WTRG) ("Essential") announced today the pricing of a registered underwritten offering of 6,700,000 shares of its common stock at a price per share of \$46.40. In connection with the forward sale agreement described below, subject to certain conditions, all shares are expected to be borrowed by the forward purchaser (as defined below) (or its affiliate) from third parties and sold to the underwriter and offered in connection with such forward sale agreement. RBC Capital Markets is acting as the sole book-running manager for this offering. The underwriter may offer shares of Essential's common stock from time to time to purchasers directly or through agents, or through brokers in brokerage transactions on the NYSE, in the over-the-counter market, or to dealers in negotiated transactions, or in a combination of such methods of sale or otherwise, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices, or at negotiated prices. Closing of this offering is expected to occur on or about August 13, 2020, subject to customary closing conditions.

In connection with the offering, Essential entered into a forward sale agreement with an affiliate of RBC Capital Markets (in such capacity, the "forward purchaser") under which Essential agreed to issue and sell to the forward purchaser 6,700,000 shares of its common stock. If Essential elects physical settlement of the forward sale agreement, it expects to use the net proceeds for general corporate purposes, including for water and wastewater utility acquisitions, working capital and capital expenditures.

Settlement of the forward sale agreement is expected to occur no later than August 10, 2021. Essential may, subject to certain conditions, elect cash settlement or net share settlement for all or a portion of its rights or obligations under the forward sale agreement.

The shares of common stock are being offered and sold pursuant to an effective automatic shelf registration statement on Form S-3 previously filed with the Securities and Exchange Commission ("SEC"). A prospective investor should read the prospectus supplement related to this offering and accompanying prospectus in that registration statement and other documents filed with the SEC for more information about the company and this offering before investing. These documents may be obtained free of charge by visiting the SEC's website at www.sec.gov. Copies of the prospectus supplement and accompanying prospectus for the offering may be obtained from: RBC Capital Markets at RBC Capital Markets, LLC, Attention: Equity Capital Markets, 200 Vesey Street, New York, NY 10281, by telephone at 877-822-4089 or by email at equityprospectus@rbccm.com.

This press release is neither an offer to sell nor a solicitation of an offer to buy any securities, including Essential common stock, nor shall it constitute an offer, solicitation or sale of any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

About Essential

Essential is one of the largest publicly traded water, wastewater and natural gas providers in the U.S., serving approximately 5 million people across 10 states under the Aqua and Peoples brands.

Forward-looking statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Words such as, but not limited to, "believes," "expects," "anticipates," "estimates," "intends," "plans," "could," "may," "will," "should," and similar expressions are intended to identify forward-looking statements. All forward-looking statements, including with respect to the offering described herein, rely on a number of assumptions, estimates and data concerning future results and events and are subject to a number of uncertainties and other factors, many of which are outside Essential's control that could cause actual results to differ materially from those reflected in such statements. Accordingly, Essential cautions that the forward-looking statements contained herein are qualified by these and other important factors and uncertainties that could cause results to differ materially from those reflected by such statements. For more information on additional potential risk factors, please review Essential's filings with the SEC, including, but not limited to, Essential's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K.

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