

The following information was published on a website regarding the merger between American Water Works Company, Inc. and Essential Utilities, Inc. on October 27, 2025.

**AMERICAN WATER** + **Essential UTILITIES**

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# American Combine and Waste

Increases Scale, Geographic Footprint, and Operational Efficiency to Deliver Best-in-Class Service

### Cautionary Statement Regarding Forward-Looking Statements

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# American Water and Essential Utilities to Combine as a Leading Regulated U.S. Water and Wastewater Utility

Increases Scale, Geographic Diversity and Customer-Centric Capabilities to Deliver Best-in-Class Service to Existing and Future Customers

[Press Release](#) →

[Investor Presentation](#) →

[Conference Call](#) →

[Infographics](#) →

## American Water & Essential Utilities Enter Next Phase of Growth

American Water (NYSE: AWK) and Essential Utilities (NYSE: WTRG) are combining as a leading regulated U.S. water and wastewater public utility, with a shared mission to provide safe, clean, reliable and affordable services to customers.

## American Water & Essential Utilities are Better Together



### Benefits all stakeholders

Combined company better positioned to help solve water and wastewater challenges, while continuing to safely and reliably support customers and communities, creating opportunities for employees and delivering value for shareholders.

[Stakeholder Benefits](#) →



### Bolsters significant regulated water and wastewater utility providers

The combined company would have a water and wastewater rate base of approximately \$29.3 billion<sup>1</sup> as of the end of 2024.

<sup>1</sup> Excludes gas rate base of \$4.2Bn and includes Nat Utility Plant not yet included in rate base, pending rate case filings/submissions.



### Delivers attractive, long-term capital investment profile

American Water expects to maintain its long-term rate base growth target of 8-9% upon the closing of the merger, positioning the company to continue to provide high quality service to customers.



### Supports long-term EPS and DPS growth of 7-9% for combined company

The combined company expects to maintain American Water's 7-9% earnings per share and dividend growth targets post close.

Subject to market conditions and board approval, the parties expect the combined company to adopt American Water's current dividend policy and payout target range.



### Includes an industry leading natural gas (LDC) utility that provides optionality to the combined company

Peoples Natural Gas is growing its rate base at a rate ~10% annually. In the five years since Essential has owned it, Peoples has doubled its rate base and substantially improved its risk profile. The Peoples regulated subsidiaries provided natural gas services to ~705,000 customers in western Pennsylvania and an additional ~41,000 in Kentucky as of the end of 2024.

**Multi-State Utility Platform Will Serve 4.7 Million Combined Connections Across 17 States, with \$29.3 Billion in Combined Water and Wastewater Rate Base**

- Combined Regulated Water & Wastewater Operations
- American Water Regulated Water & Wastewater Operations
- Military Services Group
- Essential Utilities Regulated Water & Wastewater Operations



1 Peoples Natural Gas located in Pennsylvania and Kentucky

**Hear from American Water President and CEO John Griffith and Essential Utilities Chairman and CEO Chris Franklin**



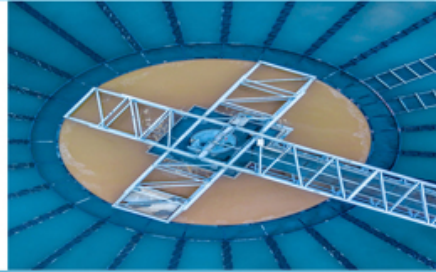
**Investor Presentation**





### Key Facts for Investors

- All stock, tax-free merger
- At transaction close, WTRG shareholders to receive 0.305 shares of AWK for each share of WTRG they own
- AWK shareholders will own ~65% and WTRG shareholders will own ~31% of the combined company on a fully diluted basis
- Pro forma market capitalization of approximately \$40 billion and a combined enterprise value of approximately \$6.5 billion, based on each company's closing stock price as of October 24, 2025



### Leadership & Board Composition

- John Griffith will serve as President and CEO
- Karl Kunz, independent Chair of the American Water board, will be Chair of the combined board
- Chris Franklin will serve as Executive Vice Chair of the Board and serve as executive sponsor of the integration task force
- David Bowler, American Water EVP and CFO, will serve as EVP and CFO
- Cheryl Heston, American Water EVP and COO, will serve as EVP and COO
- All existing executive team members of American Water who report to the CEO will continue to do so post-close
- Daniel Schulte, Essential Utilities EVP and CFO, will serve as EVP and Chief Strategy Officer
- Colleen Arnold, President of Essential Utilities Aqua Water, will serve as President, Regulated Operations
- Michael Hovac, President of Peoples Natural Gas, will remain President
- 15 member board of directors: Ten from American Water and five designated by Essential



### Transaction Expected to Close by End of Q1 2027

- Subject to customary closing conditions, including approval from each company's shareholders, clearance under the Hart-Scott-Rodino Act and regulatory approvals, including from the applicable public utility commissions.



### Headquarters & Company Name

- Combined company will be headquartered in Camden, New Jersey and Essential's Bryn Mawr and Pittsburgh offices will each continue to maintain a strong operational presence long term.
- Combined company will continue to use the name "American Water".

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#### American Water Media Contact

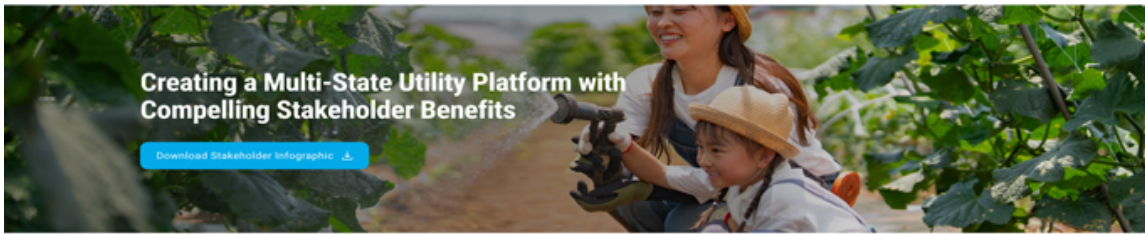
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## Creating a Multi-State Utility Platform with Compelling Stakeholder Benefits

[Download Stakeholder Infographic](#)



### BENEFITS FOR

## Customers and Communities

- ✔ There will be no change in customer rates as a result of the merger, and American Water and Essential will be better able to maintain an average customer water bill that is affordable
- ✔ Customers will benefit from the combined best practices, knowledge and skills of both utilities
- ✔ Expanded set of resources to help solve water and wastewater challenges to existing and new customers and communities
- ✔ Will remain an active member in the communities it serves, supporting customers and stakeholders with a dedicated workforce and passionate employee base
- ✔ Investments in infrastructure renewal, resiliency, water quality, technology and growth projects

### BENEFITS FOR

## Employees

- ✔ Will broaden career paths and provide employees with more opportunities to grow, collaborate and contribute to a larger, more dynamic organization
- ✔ Shared commitment to safety, sustainable growth, operational excellence, superior customer experience and recognition as a top-tier employer, all while protecting the environment
- ✔ Do not anticipate material changes to employee compensation or benefits as a result of the transaction
- ✔ Both companies value their union partnerships, and all union contracts will continue to be honored in accordance with their current terms



# Frequently asked questions

## How does this merger benefit customers and communities?

- Together, the combined company will leverage proven strategies from both companies and have an expanded set of resources to help solve water and wastewater challenges for existing and new customers and communities.
- The combined company will continue to allocate capital to infrastructure renewal, resiliency, water quality, technology and growth projects.
- There will be no change in customer rates as a result of the merger, and the combined company will be better able to maintain an average customer water bill that is affordable, supporting the economic prosperity of the more than 2,000 communities in which it will operate.

## What does the merger mean for rates?

- There will be no change in customer rates as a result of the merger, and the combined company will be better able to maintain an average customer water bill that is affordable, supporting the economic prosperity of the more than 2,000 communities in which it will operate.

## Will the merger change billing options? Will there be any changes to customer contracts or metered billing?

- We are operating as usual through close.
- Customers can continue to pay their bill and manage their account online or via any existing customer service channel in place today.
- We are committed to making this combination seamless for our customers and communities.
- Customer contracts will remain in place per the terms of the contract.

## Will the merger impact customer service? What does this mean for teams serving my business? How do I reach customer service going forward?

- We are committed to making this combination seamless for our customers.
- We are operating as usual as we progress to close.
- Customers can continue to use all existing customer service channels to receive assistance.
- Following the close of the merger, customers will continue to be supported locally by existing teams.
- As we work to integrate the two companies, customers will benefit from the combined best practices, knowledge, and skills of both utilities.

## Will the combined company continue to invest in my local area?

- We will remain an active member of the communities we serve, with a dedicated workforce providing superior customer service.
- There will be no change in customer rates as a result of the merger, and as a combined company, we will be better able to maintain an average customer water bill that is affordable, supporting the economic prosperity of the more than 2,000 communities in which we will operate.

## What are your plans to work with state regulators and officials throughout this process?

- Management will continue to work closely with the EPA and federal, state and local officials to deliver the quality of water that customers have come to expect from American Water and Essential Utilities, while also adhering to safety and sustainability best practices.
- We are committed to working with regulators and officials and providing the information they need to understand the benefits of the transaction.

## What does this transaction mean for employees?

- Between now and the closing of the transaction, which we expect will occur by the end of the first quarter of 2027, American Water and Essential Utilities will continue to operate as separate, independent companies and it is business as usual.
- During this period, roles, responsibilities and priorities will largely remain the same. We will stay focused on providing safe, clean, reliable and affordable water and wastewater services for our customers.
- Employee compensation and benefits programs are continuing as usual as we progress to the merger closing, and the combined company does not anticipate any material changes to compensation or benefits as a result of the transaction.
- Following closing of the transaction, we believe we will be better positioned as a combined company, which will mean more opportunities for employees.

## Will my company contacts change?

- Company contacts remain the same, and all current arrangements continue as normal.

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## Resources

### PRESS RELEASES

October 27, 2025

**American Water and Essential Utilities to Merge as a Leading Regulated U.S. Water and Wastewater Utility**

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### EVENTS & PRESENTATION

October 27, 2025

**Transaction Investor Presentation**

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**Transaction Webcast**

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### INFOGRAPHICS

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**Stakeholder Infographic**

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**Investor Infographic**

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### FILINGS

**American Water Filings**

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**Essential Utilities Filings**

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