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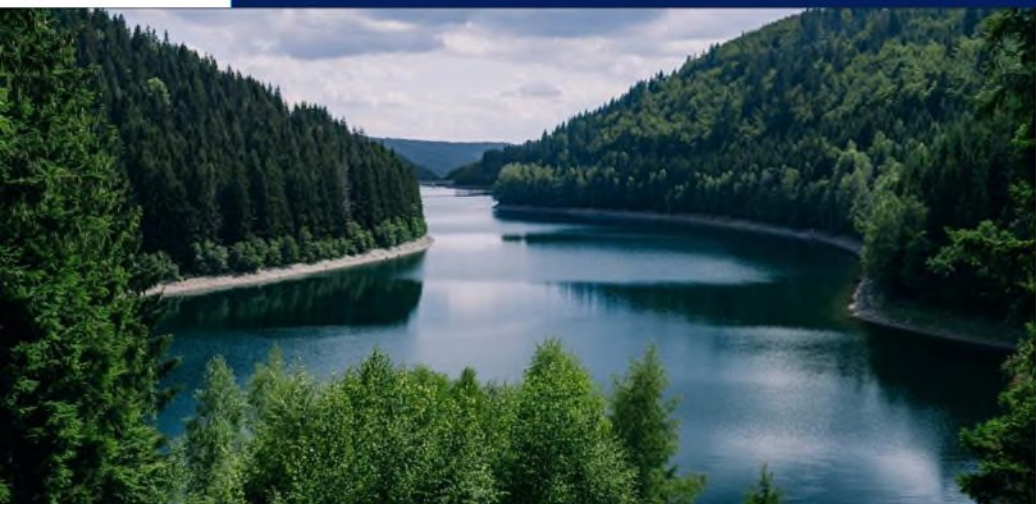
WTRG



Essential™

Investor Presentation

March | 2026



Cautionary Statement Regarding Forward-Looking Statement (Part 1 of 2)

Certain statements included in this communication are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. In some cases, these forward-looking statements can be identified by words with prospective meanings such as “intend,” “plan,” “estimate,” “believe,” “anticipate,” “expect,” “predict,” “project,” “propose,” “assume,” “forecast,” “outlook,” “future,” “likely,” “pending,” “goal,” “objective,” “potential,” “continue,” “seek to,” “may,” “can,” “will,” “should” and “could,” or the negative of such terms or other variations or similar expressions. Forward-looking statements may relate to, among other things: statements about the benefits of the proposed merger, including future financial and operating results; the parties’ respective plans, objectives, expectations and intentions; the expected timing and likelihood of completion of the merger and related transactions; the results of any strategic review; expected synergies of the proposed merger; the timing and result of various regulatory proceedings related to the proposed merger, and other general rate cases, filings for infrastructure surcharges and other governmental agency authorizations and proceedings, and filings to address regulatory lag; the combined company’s ability to execute its current and long-term business, operational, capital expenditures and growth plans and strategies; the amount, allocation and timing of projected capital expenditures and related funding requirements; the future impacts of increased or increasing transaction and financing costs associated with the proposed merger or otherwise, as well as inflation and interest rates; each party’s ability to finance current and projected operations, capital expenditure needs and growth initiatives by accessing the debt and equity capital markets and sources of short-term liquidity; impacts of the proposed merger on the future settlement or settlements of a party’s forward sale agreements, including potential adjustments to the forward sale price or other economic terms thereunder, and the amount of and the intended use of net proceeds from any such future settlement or settlements; the outcome and impact on other governmental and regulatory investigations; the filing of class action lawsuits and other litigation and legal proceedings related to the proposed merger; the ability to complete, and the timing and efficacy of, the design, development, implementation and improvement of technology and other strategic initiatives; each party’s ability to comply with new and changing environmental regulations; regulatory, legislative, tax policy or legal developments; and impacts that future significant tax legislation may have on each such party and on its business, results of operations, cash flows and liquidity.

These forward-looking statements are predictions based on currently available information, the parties’ current respective expectations and assumptions regarding future events that American Water Works Company, Inc. (“American Water”) and Essential Utilities, Inc. (“Essential Utilities”) believe to be reasonable. They are not, however, guarantees or assurances of any outcomes, performance or achievements, and readers are cautioned not to place undue reliance upon them. You should not regard any forward-looking statement as a representation or warranty by American Water, Essential Utilities or any other person that the expectation, plan or objective expressed in such forward-looking statement will be successfully achieved in any specified time frame, or at all. The forward-looking statements are subject to a number of estimates and assumptions, and known and unknown risks, uncertainties and other factors. Actual results may differ materially from those discussed in the forward-looking statements included in this communication as a result of the factors discussed in American Water’s Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission (the “SEC”) on February 18, 2026 (available at: ir.amwater.com), Essential Utilities’ Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC on February 26, 2026 (available at: essential.co), and each party’s other filings with the SEC, and additional risks and uncertainties, including with respect to (1) the parties’ ability to consummate the proposed merger pursuant to the terms of the definitive merger agreement or at all; (2) each party’s requirement to obtain required governmental and regulatory approvals required for the proposed merger (and/or that such approvals may result in the imposition of burdensome or commercially undesirable conditions, including required dispositions, that could adversely affect the combined company or the expected benefits of the proposed merger); (3) an event, change or other circumstance that could give rise to the termination of the merger agreement; (4) the failure to satisfy or waive a condition to closing of the proposed merger on a timely basis or at all; (5) a delay in the timing to consummate the proposed merger; (6) the failure to integrate the parties’ businesses successfully; (7) the failure to fully realize benefits, efficiencies and cost savings from the proposed merger or that such benefits, efficiencies and cost savings may take longer to realize or be more costly to achieve than expected; (8) negative or adverse impacts of the announcement of the proposed merger on the market price of American Water’s or Essential Utilities’ common stock; (9) the risk of litigation, legal proceedings or other challenges related to the proposed merger; (10) disruption from the proposed merger making it more difficult to maintain relationships with customers, employees, contractors, suppliers, regulators, vendors, elected officials, governmental agencies, or other stakeholders; (11) the diversion of each party’s management’s time and attention from ongoing business operations and opportunities of such party on merger-related matters; (12) the challenging macroeconomic environment, including disruptions in the water and wastewater utility industries; (13) the ability of each party to manage its respective existing operations and financing arrangements on favorable terms or at all, including with respect to future capital expenditures and investments, operations, and maintenance costs; (14) changes in environmental laws and regulations regarding each party’s respective operations that may adversely impact such party’s businesses or increase the cost of operations; (15) changes in each party’s key management and personnel; (16) changes in tax laws that could adversely affect beneficial tax treatment of the proposed merger; (17) regulatory, legislative, local or municipal actions affecting the water and wastewater industries, which could adversely affect the parties’ respective utility subsidiaries; and (18) other economic, business and other factors, including inflation, interest rate fluctuations or tariffs. The foregoing factors should not be construed as exhaustive.

Cautionary Statement Regarding Forward-Looking Statement (Part 2 of 2)

These forward-looking statements are qualified by, and should be read together with, the risks and uncertainties set forth above and the risk factors included in American Water's and Essential Utilities' respective annual and quarterly reports as filed with the SEC and in the definitive joint proxy statement/prospectus, as filed with the SEC on December 31, 2025 (available at: <https://www.sec.gov/Archives/edgar/data/1410636/000119312525337598/d15683d424b3.htm>), and readers should refer to such risks, uncertainties and risk factors in evaluating such forward-looking statements. Any forward-looking statements speak only as of the date this communication is first used or given. Neither American Water nor Essential Utilities has any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as otherwise required by the federal securities laws. New factors emerge from time to time, and it is not possible for American Water or Essential Utilities to predict all such factors. Furthermore, it may not be possible to assess the impact of any such factor on American Water's or Essential Utilities' businesses, viewed independently or together, or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

Proposed Merger

For additional information regarding the proposed merger, please see American Water's registration statement on Form S-4 (Registration No. 333-292182), which was declared effective by the SEC on December 30, 2025, and the other documents that American Water or Essential Utilities has filed or may file with the SEC.

No Offer or Solicitation

This communication is for informational purposes and is not intended to, and shall not, constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any offer or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Non-GAAP Reconciliation

For reconciliation of non-GAAP financial measures, see the Investor Relations section of the company's Web site at www.essential.co

Essential Utilities and American Water Merger

Merger Unlocks Compelling Growth and Value Potential for Both Companies

Results in a Leading U.S. Water & Wastewater Utility

Solidifies position as a premier public water & wastewater utility with an expanded footprint across 17 states and on 18 military installations, 4.7M water & wastewater connections, and increased ability to help solve water & wastewater challenges across the United States

Strengthens Platform for Superior Customer Experience

Leverages operational and financial expertise and efficiencies from complementary platforms to drive high quality, affordable service

Unites two industry leaders with a shared mission to deliver safe, clean, reliable, and affordable water and wastewater services, while elevating customer experience through operational excellence

Presents Inorganic & Organic Growth Opportunities

Retains American Water's 7% - 9% long-term EPS and dividend per share growth rate targets, driven by both strategic acquisitions and core business expansion

Enhances Financial Strength, Expands Low Risk Foundation

Highly stable and supportive cash flows and strengthened balance sheet form foundation for continued infrastructure investments

Delivering Top Quartile Total Shareholder Return

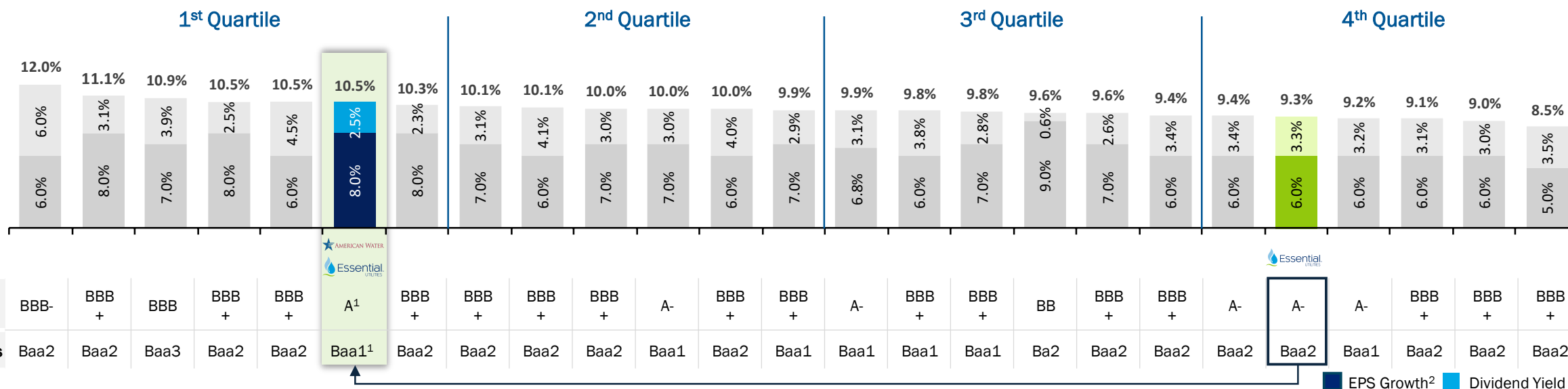
Pro Forma EPS and Dividend Outlook

- Transaction EPS accretive in first year after transaction close
- Expect to maintain American Water's 7% - 9% long-term EPS and DPS growth targets
- Expect to adopt American Water's current dividend policy and 55% - 60% payout target, supporting reinvestment in accretive rate base growth

Highly Durable, Low Risk Capital Investment Plan

- Decades of pipe replacement needed in aging water systems
 - March 2025 ASCE Infrastructure Report Card graded U.S. Drinking Water and Wastewater systems as a C- and D+, respectively
- Significant water quality and resiliency investments needed, including PFAS and lead remediation
- Regionalization of extremely fragmented water and wastewater systems in the U.S. offers unique opportunity to grow
- Customer affordability remains a core focus, underpinning growth

Total Return Comparison vs. Large Cap Regulated Utility Peers



S&P	A ¹
Moody's	Baa1 ¹

■ EPS Growth² ■ Dividend Yield

Source: Public disclosure, S&P Capital IQ as of 10/29/2025
 1. Reflects current American Water credit ratings
 2. Based on midpoint of management guidance

Regulatory Approval Process

Q4 2025

Filed All State Regulatory Applications

Required approvals include certain public utility commissions

Q1 2026

Shareholder Approvals Received

AWK and WTRG shareholders approved merger proposals on February 10

Q2 2026 -
Q1 2027

Obtain Approvals

PA: Docket A-2025-3058927
NC: Docket W-218 Sub 643
TX: Docket 59020
NJ: Docket WM25110628
IL: Docket 25-1057
KY: 2025-0048
VA: PUR-2025-00229

Q1 2027

Transaction Close

Transaction expected to close by the end of Q1 2027



Our Unique Position

We Are a Purpose-led Organization Focused on Delivering for our Customers

EXECUTING AGAINST OUR STRATEGY



Uniquely integrated multi-utility company meeting the needs of customers today



Provides high quality and reliable service to our customers and communities



Invests to create resilience and a sustainable future

DELIVERING OUR MISSION

To sustain life and improve economic prosperity by safely and reliably delivering Earth's most essential resources to our customers and communities



Our Competitive Advantages

Attractive Company Positioning



Positioned in constructive regulatory environments with six states in which Essential operates **receiving favorable rankings¹**



Industry leader in PFAS mitigation



Located in states with high population growth, including three states within **the top ten and two within the top five²** in the country



Fair Market Value enacted in all our states, facilitating **municipal water and wastewater acquisitions**



Gas utility strategically located near **plentiful gas sources** and in constructive regulatory jurisdictions



Attractive rate-based growth potential that drives EPS **growth of 5 - 7%** through 2027

Source: S&P Capital IQ Pro, Census Bureau.

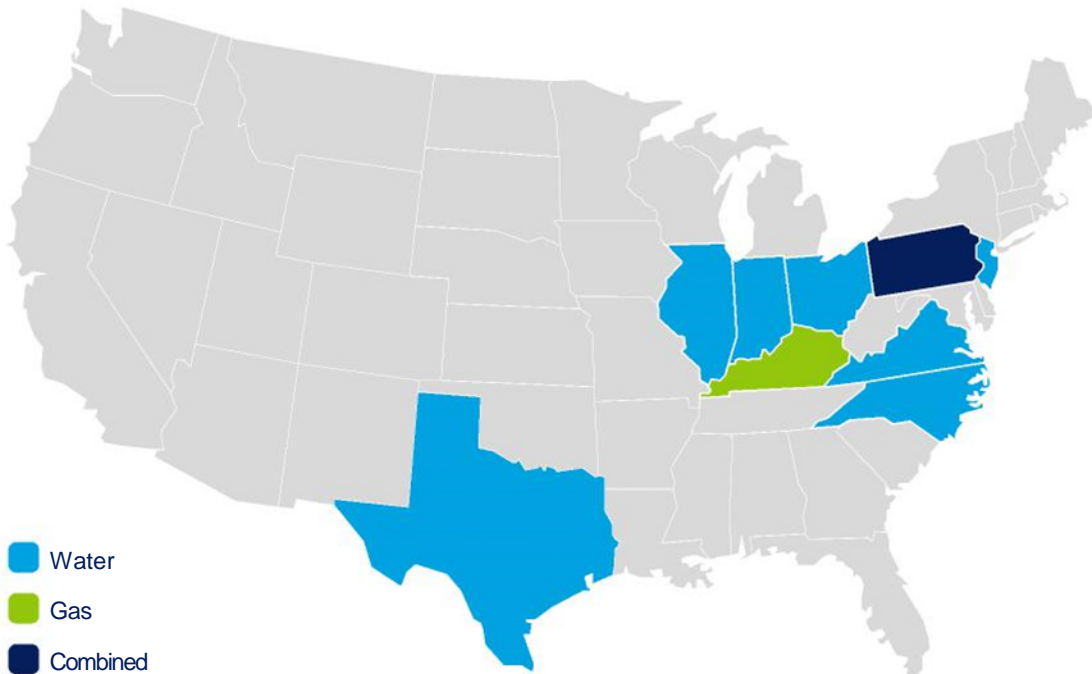
(1) Ranking based in S&P Capital IQ Pro RRA Ranking and includes states with rankings of Average / 2 or above.

(2) Ranked by numeric population growth from July 1, 2023 to July 1, 2024.

Robust Scale Delivering Significant Opportunity

Leveraging Size and Operational Excellence to Drive Efficiency and Economies of Scale

Combined Company Footprint



Water
Gas
Combined

~1.9M connections serving more than 5.5M people across 9 states

One of the Largest Water Infrastructure Footprints



14,450+ miles of water main



200+ wastewater treatment plants



1,000+ water storage tanks



24 surface water filtration plants



~3,250 wells

Significant Gas Infrastructure Footprint¹



15,000+ miles of distribution pipe



10.5 Bn Capacity of natural gas storage



~27% locally produced gas



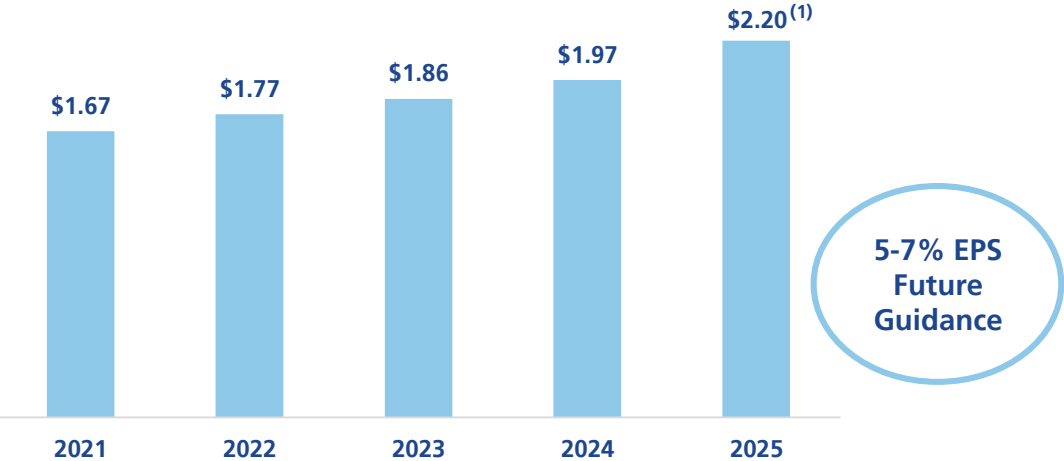
14 operations centers



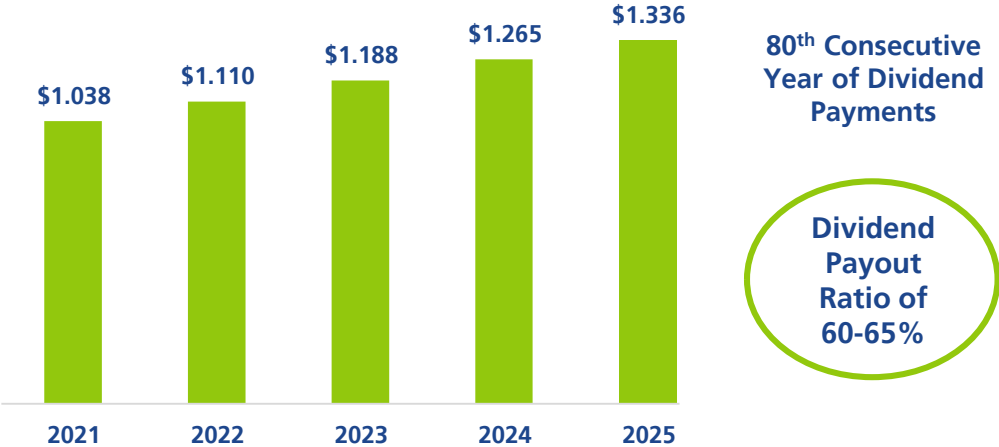
5 Bcf working storage capacity

Consistently Delivering Growth

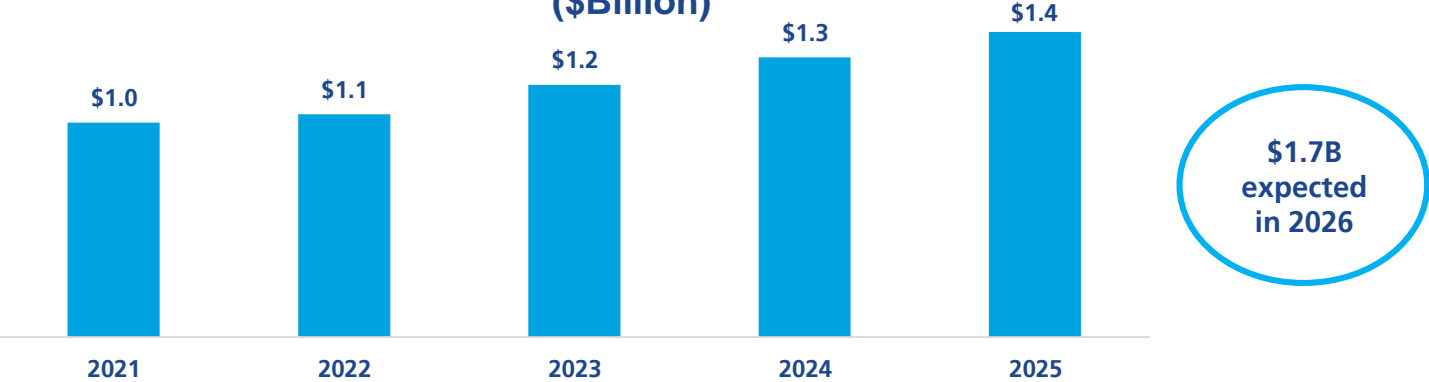
Diluted Income per Common Share



Dividends Paid per Share



Capital Expenditures (\$Billion)

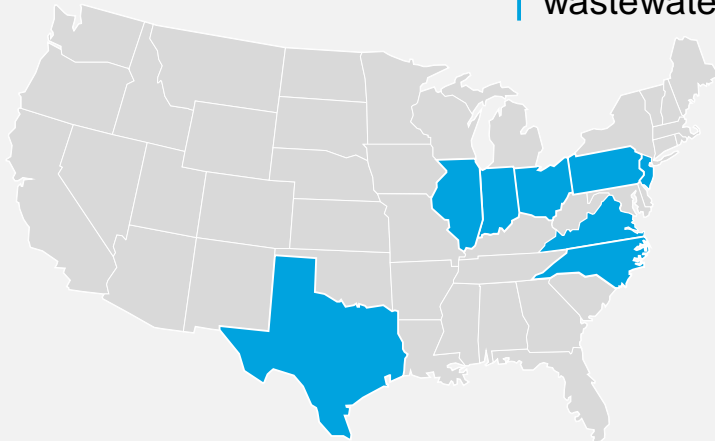


(1) 2024 GAAP Diluted Earnings per Share of \$2.17. See reconciliation in Appendix.

CONSTRUCTIVE REGULATORY JURISDICTIONS

Serving more than
1.1M customers

>99% of earnings
regulated water and
wastewater utility

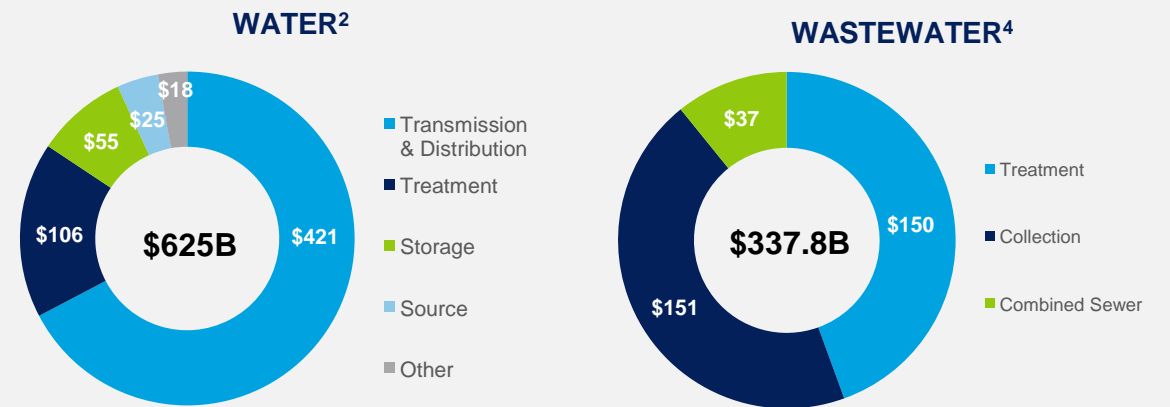


Over **\$7.8 billion** of
rate base as of 12/31/25

Treating over
87 billion gallons
of water each year

WITH CLEAR PATH TO GENERATE ADDITIONAL VALUE

EPA Estimate of U.S. Infrastructure Investment Needs



HIGHLY FRAGMENTED

Approximately 50,000 water³ and over 18,000 wastewater systems⁴

VALUE ADD OPPORTUNITY

U.S. water infrastructure graded "C-" and wastewater infrastructure graded "D+"⁵

SIGNIFICANT RUNWAY

>85% of public water systems are government owned³

(1) Through 2029.
(2) 2023 EPA Needs Survey based on data collected in calendar year 2021.
(3) Efc.web.unc.edu Public vs Private: A National Overview of Water Systems

(4) EPA Clean Watersheds Needs Survey (CWNS) 2024
(5) Per the American Society of Civil Engineers.

Leadership in PFAS

Significant expertise continues to develop across the business

Recognized leader in
PFAS mitigation

State of the Art
Laboratory certified
for PFAS testing since
2017

Proactively began
testing >3000 water
sources in 2018

Identified >300 Sites
requiring remediation

At least \$450M of
PFAS capital required

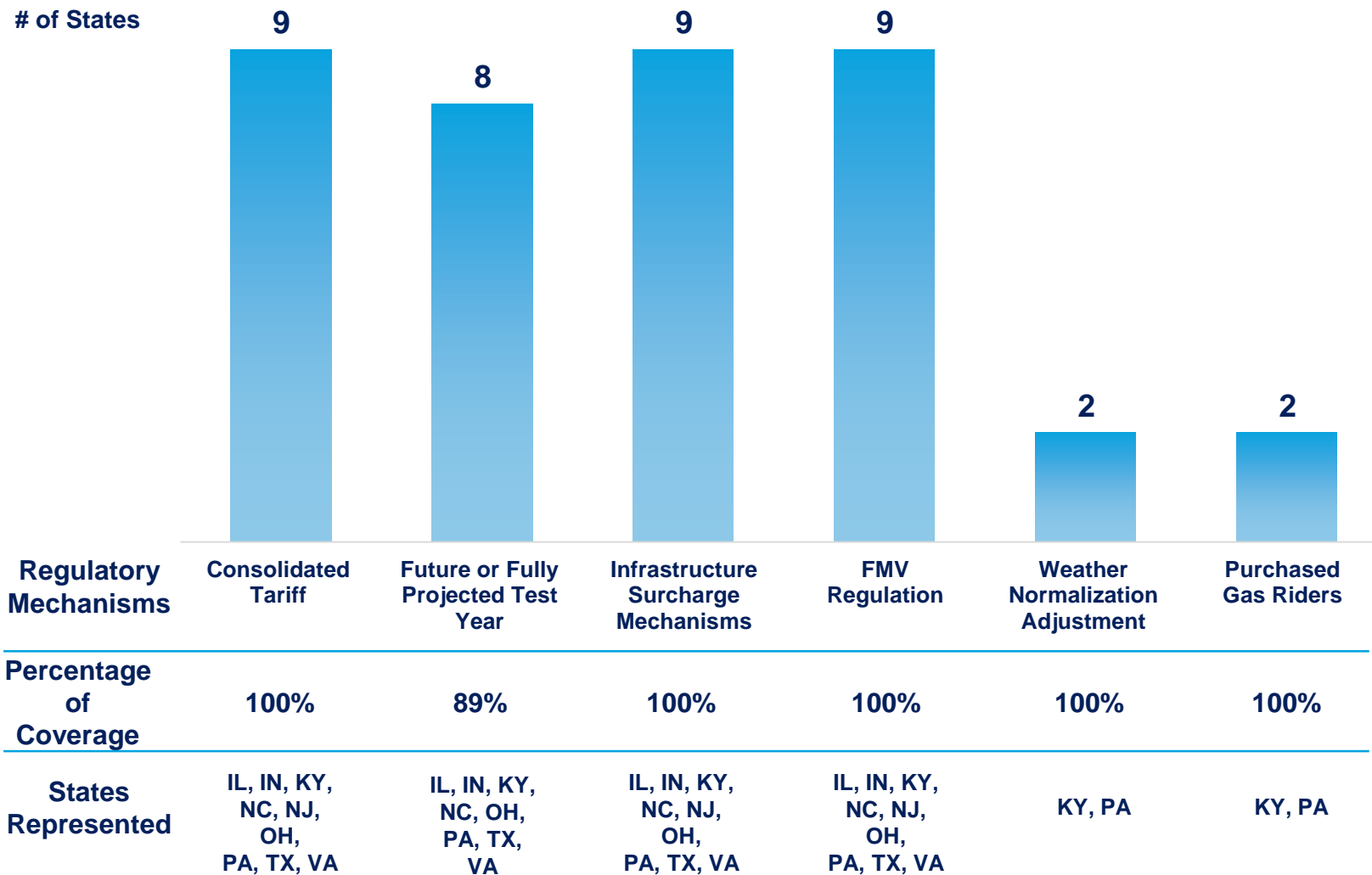
Developed a
proprietary modular
PFAS treatment
system for wells

Mitigated 100 sites for
a total spend to date
of ~\$60M



Using these regulatory mechanisms, Essential is able to reduce regulatory lag and facilitate growth through acquisitions

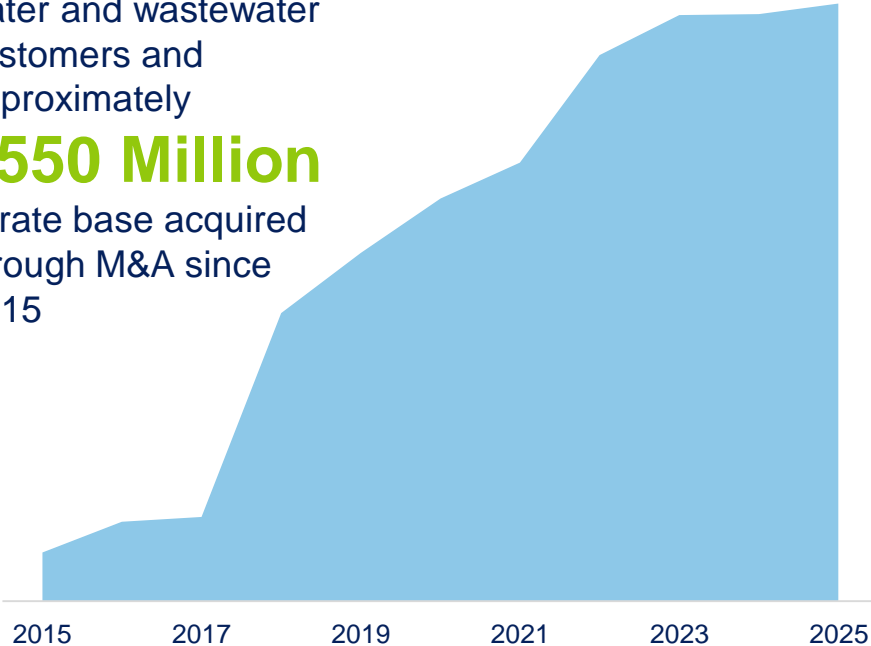
Operating in States with Constructive Regulatory Mechanisms



Continued Water and Wastewater Acquisition Success

Cumulative Additions of Customers Through Acquisitions Since 2015

Over **135,000¹** water and wastewater customers and approximately **\$550 Million** in rate base acquired through M&A since 2015



Transactions Closed in 2025



BEAVER FALLS

- Wastewater
- 7,000 customers⁽¹⁾
- \$37.8M purchase price



GREENVILLE

- Wastewater
- 2,300 customers
- \$18.0M purchase price



MIDVALE

- Water
- 900 customers
- \$3.0M purchase price

Pending Transactions



DELCORA

- Wastewater
- 198,000 customers⁽¹⁾
- \$276.5M purchase price



GREENVILLE

- Water
- 3,000 customers
- \$18.0M purchase price



DRIL-QUIP⁽²⁾

- Water/Wastewater
- 380 customers
- \$1.1M purchase price



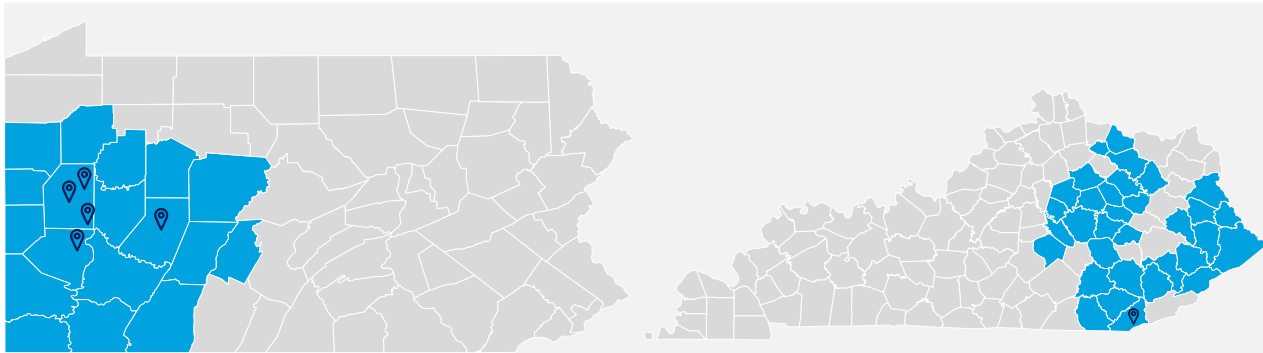
INTEGRA⁽²⁾

- Wastewater
- 1,100 customers
- \$4.4M purchase price

Over 200,000¹ Total Customers **~\$300M** Total Purchase Price

(1) Essential's estimate of the number of equivalent dwelling units.
 (2) Dril-Quip and Integra are privately owned utilities.

LOCATED IN CONSTRUCTIVE REGULATORY JURISDICTIONS



Largest natural gas distribution company in PA with **over \$4.6 billion** of rate base as of year-end 2025

Serving more than **747,000 customers**

>96% of earnings from regulated gas distribution

Operations located near plentiful, **low-cost natural gas sources**

WITH CLEAR PATH TO GENERATE ADDITIONAL VALUE

AFFORDABLE AND ABUNDANT

Gas is **3.5x more affordable than electricity** with more than 100 years of supply in the U.S.²

CONSISTENT INVESTMENT

America's natural gas utilities **invest \$37 billion each year** on enhancing the safety of distribution and transmission systems.²

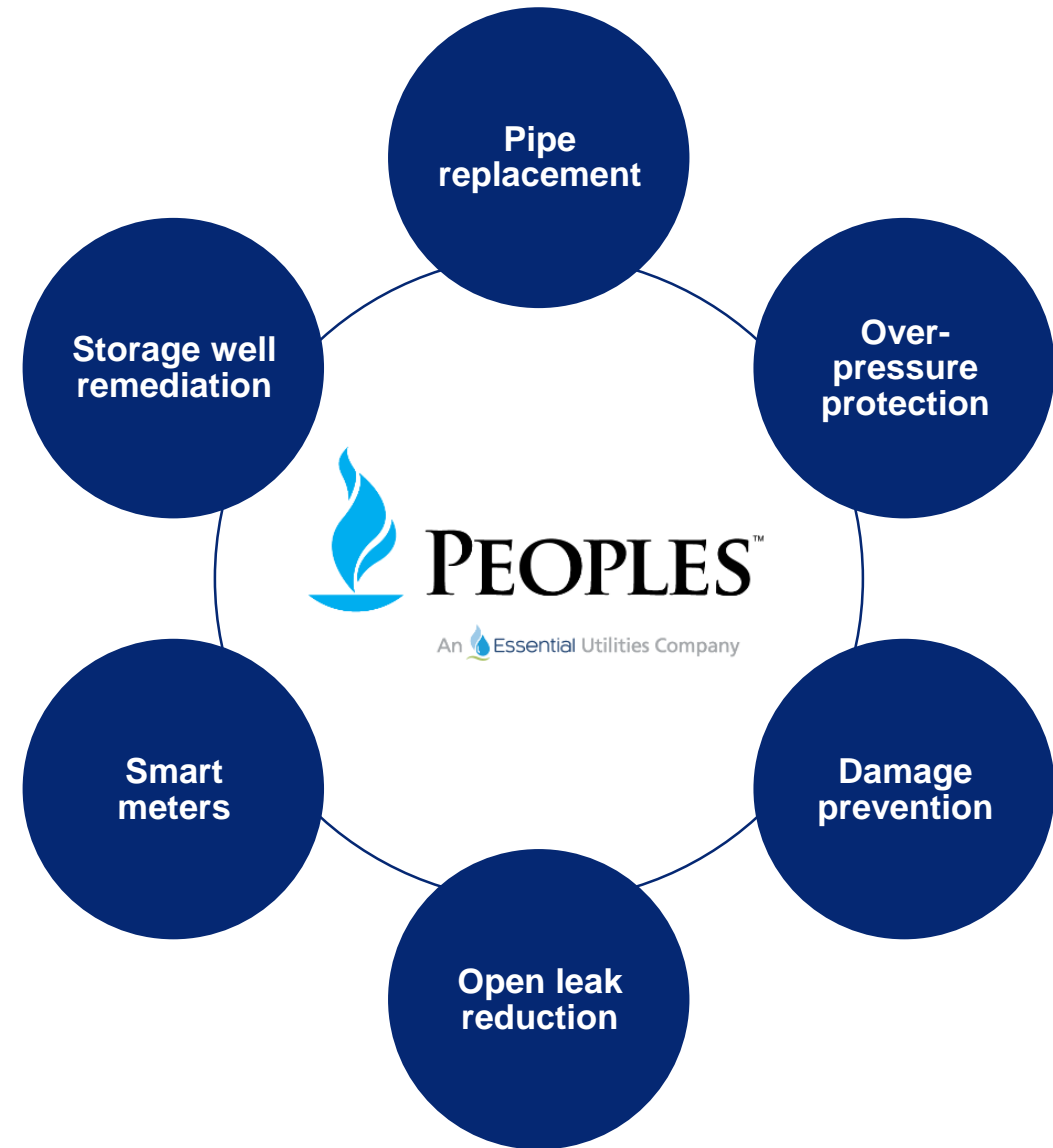
DRIVING A SUSTAINABLE FUTURE

Emissions from natural gas distribution have declined 70% since 1990 and are expected to play **a critical role in helping the U.S. reach net-zero emissions** into the future.²

(1) Through 2029.
(2) Per the American Gas Associations 2025 Playbook.

**Focused on
being the
safest, most
reliable gas
utility in the
U.S.**

Risk Reduction Building Blocks



2025: A Banner Year for Essential Utilities

Financial

FY25 EPS of \$2.20

Above guidance range of \$2.07-\$2.11

Dividend Increased 5.25%

35th dividend increase in 34 years

Growth in CapEx and Through Municipal Acquisitions

Record \$1.4B infrastructure investment

Operational

Continued Executing on \$450M PFAS Capital Plan

Deployed 50+ advanced treatment systems across PA and NC

Gas Meter Milestone Reached

In 2025, gas segment installed 100,000th smart meter

Infrastructure Modernization

307 miles of gas main and 100 miles of water main replaced or retired

Sustainability

Named to Newsweek's 2026 America's Most Responsible Companies

5 years in a row

Named to USA Today's 2025 America's Climate Leaders

3 years in a row

Published Extensive Biennial Reporting

Sustainability.Essential.co

Merger

Two Industry Leaders to Unite

Shared mission and exceptional track record

Enhanced Financial Strength

Low-beta and strong balance sheet

Accretive in First Year After Close

7-9% EPS and DPS growth target

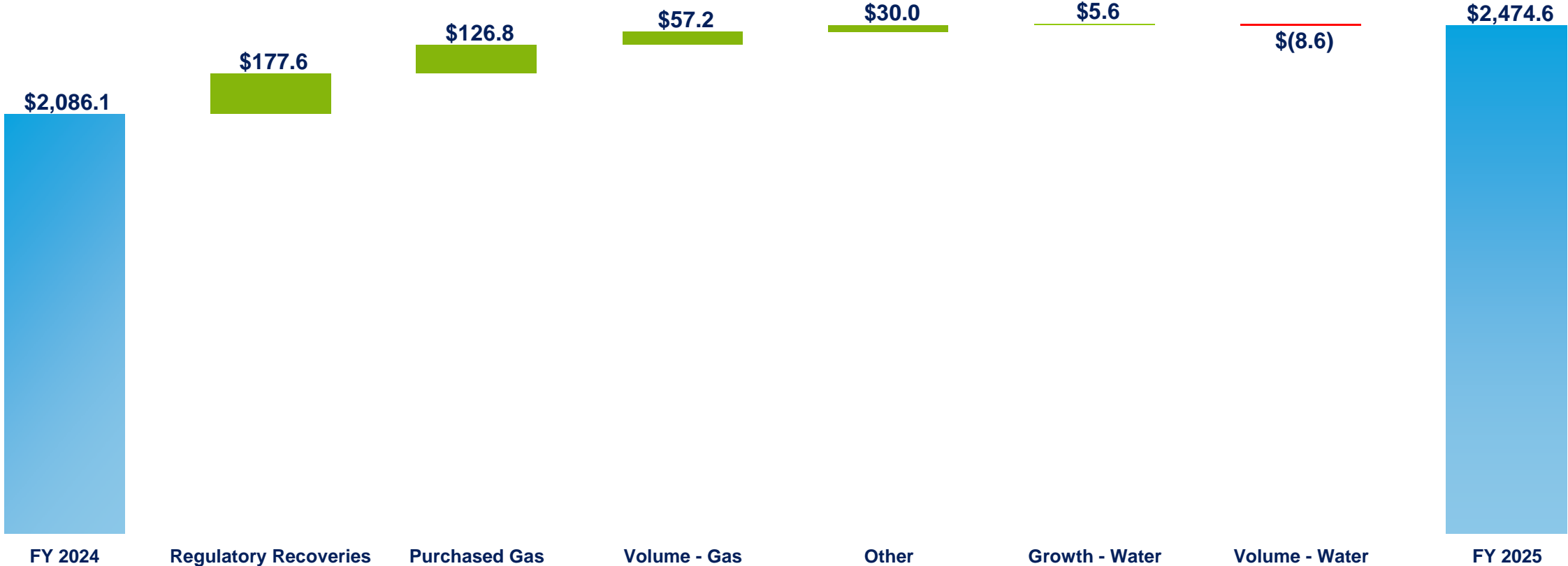


Results & Outlook

Operating Revenues

FY 2025 vs. FY 2024

Change in Operating Revenues (millions)

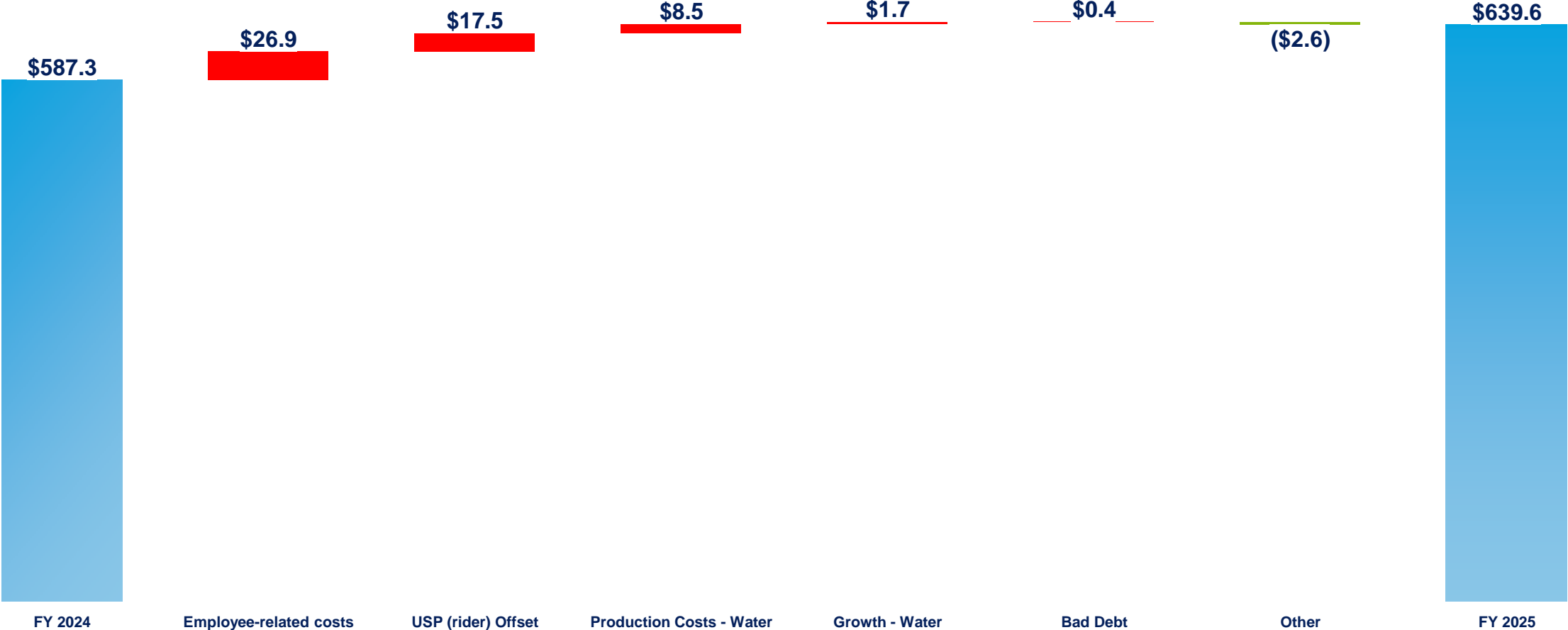


Figures may not total precisely due to rounding

Operations & Maintenance Expenses

FY 2025 vs. FY 2024

Change in Operations & Maintenance Expense (millions)



Figures may not total precisely due to rounding

Earnings per Common Share

FY 2025 vs. FY 2024

Change in Earnings Per Share



(1) Non-GAAP adjustment includes a gain on sale of assets and related transaction activities, adjustments for estimated effects of unfavorable weather, and an income tax effect of non-GAAP adjustments, as detailed in the Appendix reconciliation
 Figures may not total precisely due to rounding

Regulatory Activity

As of February 25th, 2025

2025 COMPLETED REGULATORY RECOVERIES

Water segment base rate cases or surcharges in NC, NJ, OH, and PA with annualized revenue increase of \$92.6 million

Gas segment base rate cases or surcharges in PA and KY with annualized revenue increase of \$8.9 million

Total of \$101.5M for 2025

2026 COMPLETED REGULATORY RECOVERIES

Water segment base rate cases or surcharges in IL, IN, and OH with annualized revenue increase of \$4.6 million

Gas segment base rate cases or surcharges in PA and KY with annualized revenue increase of \$7.8 million

PENDING REGULATORY RECOVERIES

Water segment base rate cases or surcharges in OH, NC, NJ, TX, and VA with requested annualized revenue increase of \$101.9 million

No pending gas segment base rate cases or surcharges

For More Information Contact:



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An aerial photograph of a large, calm lake surrounded by a dense forest of evergreen trees. The water is a deep blue-green color, and the forest is a vibrant green. The lake is surrounded by a thick forest of evergreen trees, likely spruce or fir, which are densely packed and cover the surrounding land. The water is still, reflecting the sky and the surrounding greenery. The overall scene is peaceful and natural.

Appendix

Full Year Financial Highlights

As of December 31st, 2025

(\$ in millions, except per share data)	FY 2024	FY 2025	Change
Operating Revenues	\$2,086.1	\$2,474.6	18.6% Increase
Purchased Gas	\$277.0	\$403.8	45.8% Increase
Operations and Maintenance Expense	\$587.3	\$639.6	8.9% Increase
Operating Income	\$757.7	\$921.0	21.6% Increase
Net Income	\$595.3	\$616.4	3.5% Increase
Net Income per Share (GAAP)	\$2.17	\$2.20	1.4% Increase
Net Income Per Share (incl. non-GAAP FY 2024 EPS)	\$1.97	\$2.20	11.7% Increase

2025 Regulatory Activity Completed

State	Effective Date	Docket Number	Segment	Type	Annualized Revenue Increase (\$ 000's)
Ohio	7/1/2025	N/A	Wastewater	Rate Case	550
	1/1/2025	N/A	Water	Rate Case	889
	1/1/2025	N/A	Water	Rate Case	801
	3/5/2025	24-910-WW-SIC	Water	Surcharge	3,237
	3/5/2025	24-911-ST-SIC	Wastewater	Surcharge	45
New Jersey	4/15/2025	WR24010057	Water	Surcharge	2,468
North Carolina	1/1/2025	W-218, Sub 573	Water	Rate Case - Year 3	2,242
	1/1/2025	W-218, Sub 573	Wastewater	Rate Case - Year 3	1,153
	1/1/2025	W-218, Sub 573	Water	Rate Case - Year 3	471
	1/1/2025	W-218, Sub 573	Water	Rate Case - Year 3	108
	1/1/2025	W-218, Sub 573	Wastewater	Rate Case - Year 3	157
Pennsylvania	2/22/2025	R-2024-3047822	Water	Rate Case	58,400
	2/22/2025	R-2024-3047824	Wastewater	Rate Case	14,600
	1/1/2025	M-2024-3052594	Water	Surcharge	7,235
	1/1/2025	M-2024-3052599	Wastewater	Surcharge	291
	10/1/2025	M-2025-3053185	Gas	Surcharge	638
Kentucky	1/12/2025	2024-00332	Gas	Surcharge	486
	6/1/2025	2025-00086	Gas	Surcharge	56
	7/1/2025	2024-00346	Gas	Rate Case	7,700
				Total	101,526

2026 Regulatory Activity Completed

State	Effective Date	Docket Number	Segment	Type	Annualized Revenue Increase (\$ 000's)
Ohio	1/1/2026	N/A	Water	Rate Case	889
	1/1/2026	N/A	Water	Rate Case	945
Illinois	1/1/2026	Wrm #25-033	Water	Surcharge	1,872
	1/1/2026	SRM #25-030	Wastewater	Surcharge	787
Indiana	1/1/2026	N/A	Wastewater	Rate Case	117
Pennsylvania	1/1/2026	M-2025-3053185	Gas	Surcharge	4,946
Kentucky	1/1/2026	2025-00333	Gas	Surcharge	2,819
				Total	12,376

Regulatory Activity Pending

As of February 25th, 2026

State	Docket Number	Segment	Type	Requested Annualized Revenue Increase (\$ 000's)
Texas	58124	Water	Rate Case	29,148
Ohio	25-0594-WW-AIR	Water	Rate Case	14,653
New Jersey	WR26010017	Water	Rate Case	6,015
	WR26010017	Wastewater	Rate Case	1,871
North Carolina	W-218, Sub 629	Water	Rate Case *	42,242
Virginia	CASE NO. PUR-2025-00071	Water	Rate Case	7,927
			Total	101,856

*Revenue increase over multi-year rate plan through December 2028

State by State Comparison of Services

As of December 31st, 2025

	Water and Wastewater				Gas Distribution	
State	Rate Base (millions)	Water Connections (thousands)	Wastewater Connections (thousands)	Total Customers (thousands)	Rate Base (millions)	Total Customers (thousands)
PA	\$4,850	460.0	68.0	528.0	\$4,454	706.3
IL	\$609	69.9	24.9	94.8		
OH	\$585	155.1	11.2	166.3		
TX	\$694	76.7	26.0	102.7		
NC	\$464	88.0	23.7	111.7		
NJ	\$332	56.5	7.0	63.5		
KY					\$181	41.1
VA	\$146	27.7	8.6	36.3		
IN	\$126	1.4	31.8	33.2		
TOTAL	\$7,806	935.3	201.2	1,136.5	\$4,635	747.4

GAAP to Non-GAAP Reconciliation

Year Ended December 31, 2024

(in millions, except per share data)	FY 2024
Net income (GAAP financial measure)	\$595.3
Adjustments:	
Gain on sales of assets and related transaction activities	(94.0)
Adjustments for estimated effects of unfavorable weather	18.7
Income tax effect of non-GAAP adjustments	20.9
Adjusted income (Non-GAAP financial measure)	\$540.9
Net income per common share (GAAP financial measure):	
Basic	\$2.17
Diluted	\$2.17
Adjusted income per common share (Non-GAAP financial measure):	
Basic	\$1.97
Diluted	\$1.97
Average common shares outstanding:	
Basic	273.9
Diluted	274.4