



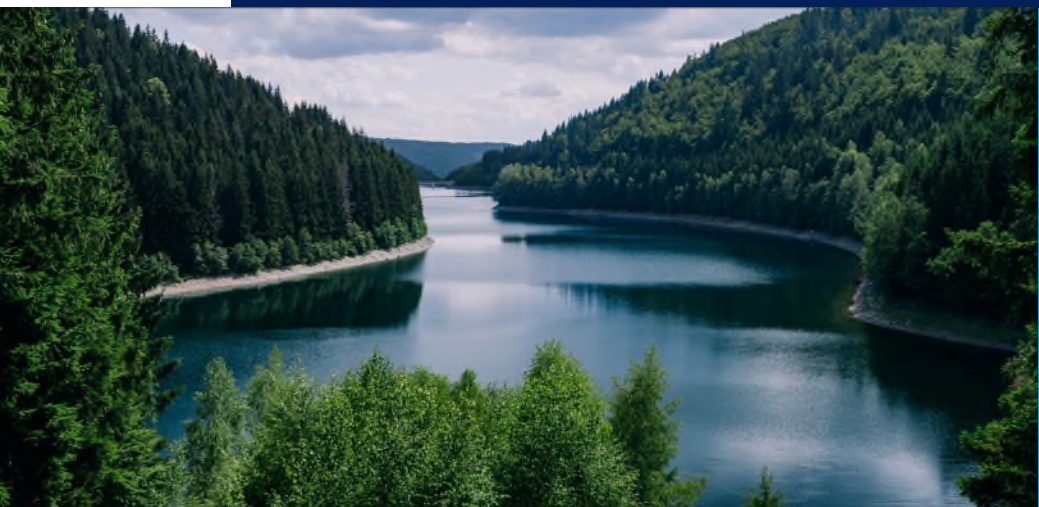
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WTRG



Essential™

First Quarter 2025
May 12, 2025





Brian Dingerdissen

Vice President
Treasury, FP&A and Investor
Relations

Forward Looking Statement

This presentation contains in addition to historical information, forward looking statements based on assumptions made by management regarding future circumstances over which the company may have little or no control, that involve risks, uncertainties and other factors that may cause actual results to be materially different from any future results expressed or implied by such forward-looking statements. These factors include, among others, the following: general economic and business conditions; weather conditions affecting customers' usage or the company's cost of operations; costs arising from changes in regulations; regulatory treatment of rate increase requests; availability and cost of capital; the success of growth initiatives, including pending acquisitions; the ability to generate earnings from capital investment; and other factors discussed in our Form 10-K, which is on file with the SEC. We undertake no obligation to publicly update or revise any forward-looking statement.

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



Christopher Franklin

Chairman and Chief
Executive Officer

Company Highlights

**Q1 2025 EPS
\$1.03**

**2025 EPS
Guidance
\$2.07 - \$2.11**

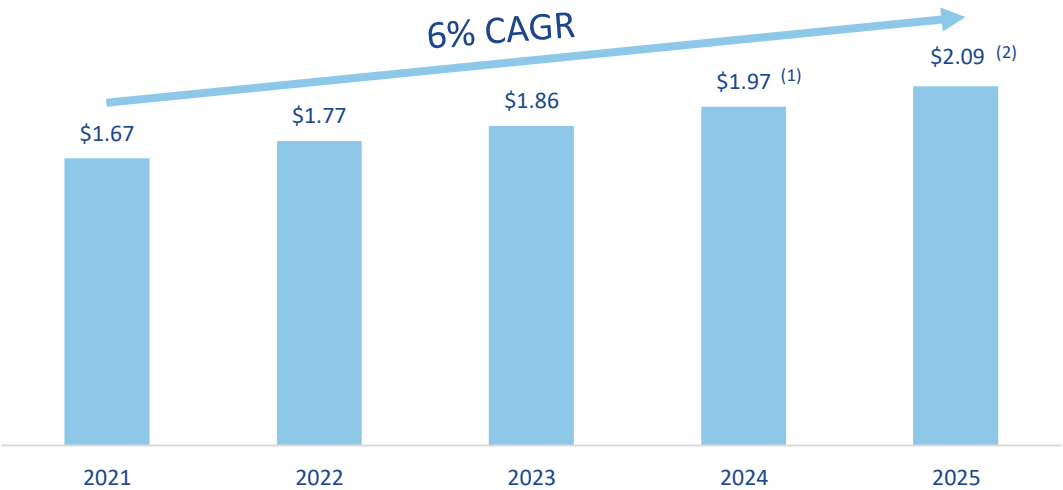
**\$1.4B - \$1.5B
Infrastructure
Investments
for 2025**



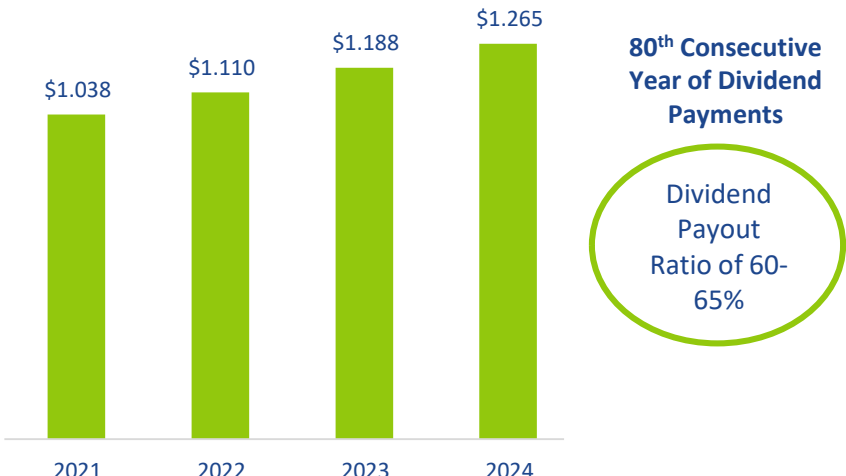
**Issued
~\$210M of Equity
via ATM**

Consistently Delivering Growth

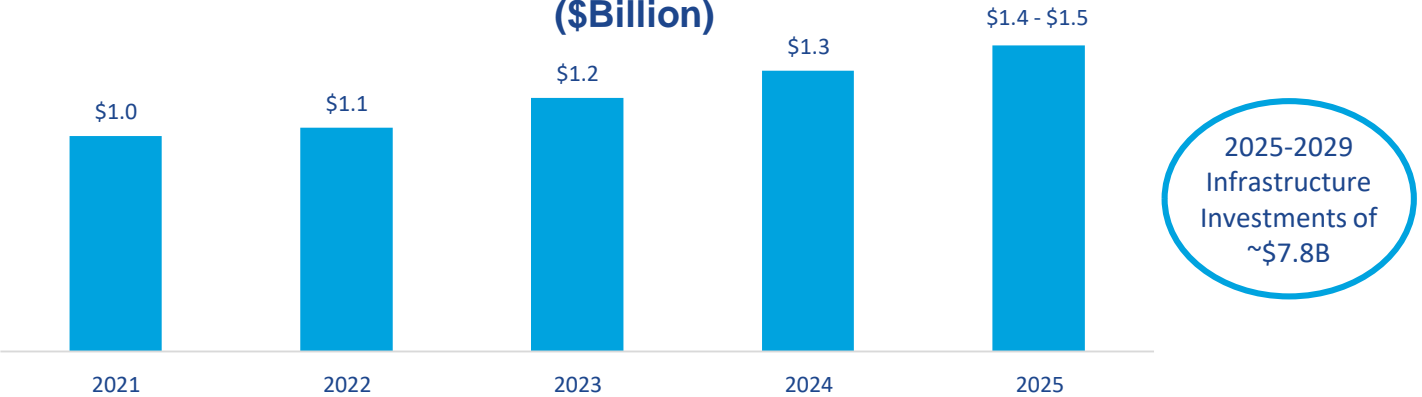
Diluted Income per Common Share



Dividends Paid per Share



Capital Expenditures (\$Billion)



(1) 2024 GAAP Diluted Earnings per Share of \$2.17. See reconciliation in Appendix.
 (2) Midpoint of \$2.07 - \$2.11 FY2025 guidance

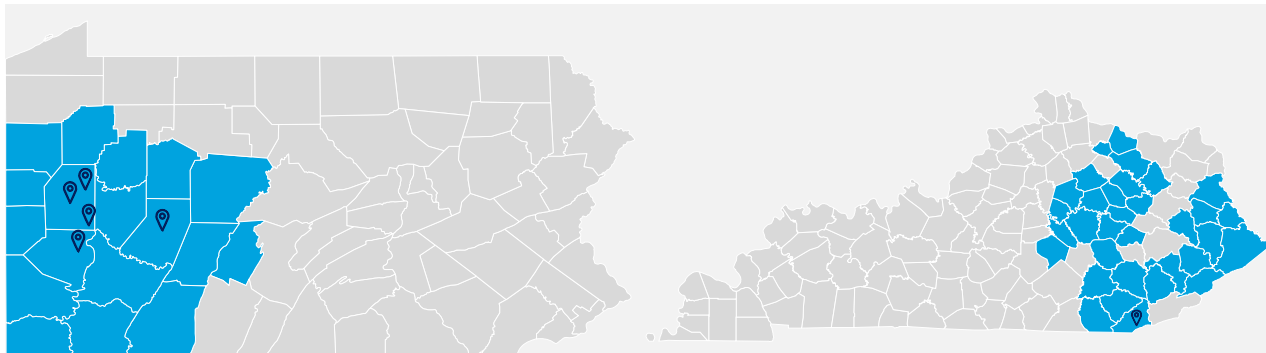


Mike Huwar

President, Peoples

Targeting **~11%** Rate Base CAGR¹

LOCATED IN CONSTRUCTIVE REGULATORY JURISDICTIONS



Largest natural gas distribution company in PA with **over \$4 billion** of rate base as of year-end 2024

Serving more than **745,000 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 **3.3x more affordable than electricity** with more than 100 years of supply in the U.S.²

CONSISTENT INVESTMENT

America's natural gas utilities **invest \$33 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

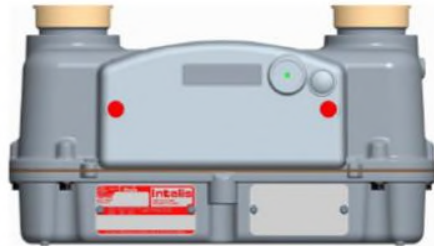
(1) Through 2029.

(2) Per the American Gas Associations 2024 Playbook.

Increasing Customer Safety - Intelis Gas Meters

Intelis 250/425 Gas Meter

The Gas Safety Revolution



Solid-State Gas Meter

Integrating communications, metrology, valve and edge intelligence in one package.



High Flow Alarm triggers safety shut off in the Intelis gas meter without utility intervention.



Over-the-Air Shutoff.

Over the network shutoff, without compromising battery life.



Reduced Footprint

70% size reduction, improving installation, aesthetics, and reducing inventory and transportation costs.



High Temperature Alarm in communication module triggers safety shut off in the Intelis gas meter without utility intervention.



Meter Removal

Embedded air detection alerts of potential meter removal, sending an alarm to the utility operations center, improving safety and theft detection.



Resiliency

Delivering sustained meter accuracy and solution life for 20 years.



Integrated Pressure alarms on high & low pressure with ability to trigger high pressure safety shut off.

Managing Impact of Customer Bills While Growing the Company Client Base

Weather Normalization Adjustment
offers more predictability for customer bills



To make customers' bills more predictable, the Pennsylvania Public Utility Commission (PUC) approved Peoples' use of a Weather Normalization Adjustment (WNA). WNA is a common billing method used by many utilities to offer predictability by making an adjustment for the difference between actual temperatures and normal temperatures in your bill. WNA applies to bills rendered from October 1 – May 31.

Data Center Opportunities
increase client base, help spread cost of investments





Daniel Schuller

EVP,
Chief Financial Officer

Q1 Financial Highlights

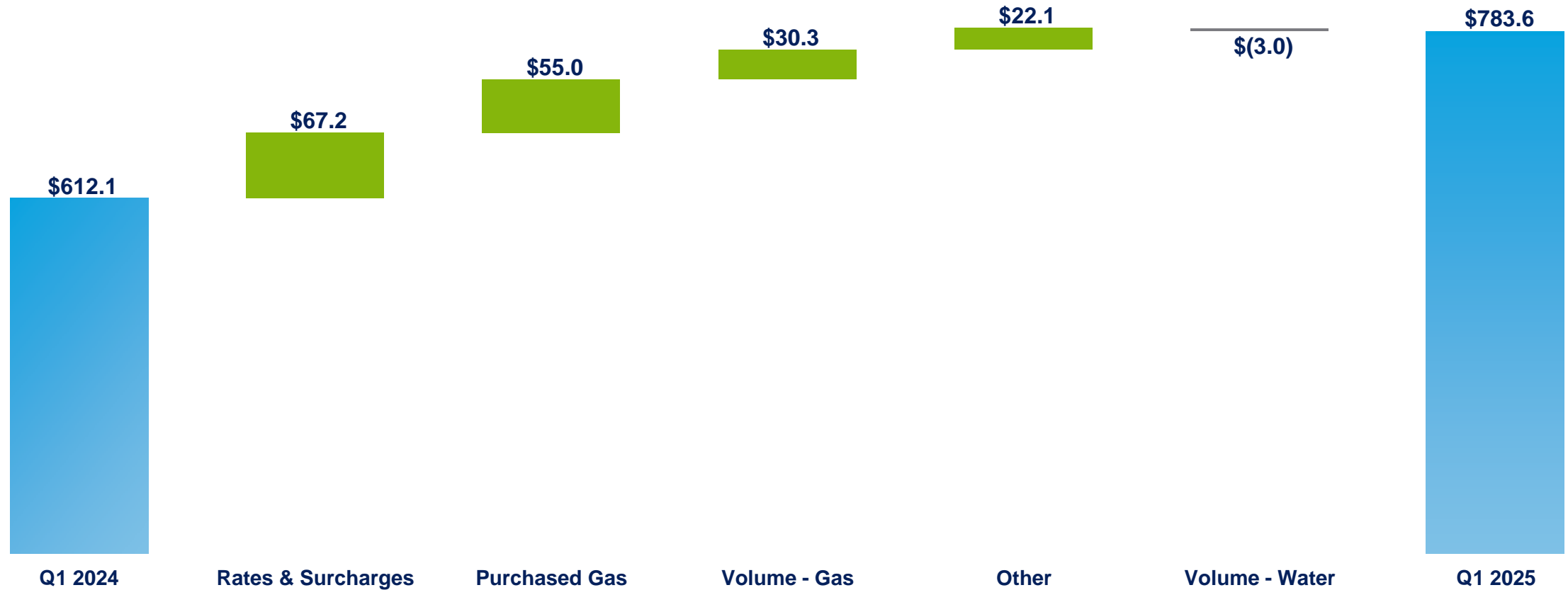
As of March 31, 2025

(\$ in millions, except per share data)	Q1 2024	Q1 2025	Change
Operating Revenues	\$612.1	\$783.6	28.0% Increase
Purchased Gas	\$129.7	\$184.6	42.3% Increase
Operations and Maintenance Expense	\$136.9	\$137.8	0.7% Increase
Operating Income	\$230.7	\$338.9	46.9% Increase
Net Income	\$265.8	\$283.8	6.8% Increase
Net Income per Share	\$0.97	\$1.03	6.2% Increase

Operating Revenues

Q1 2025 vs. Q1 2024

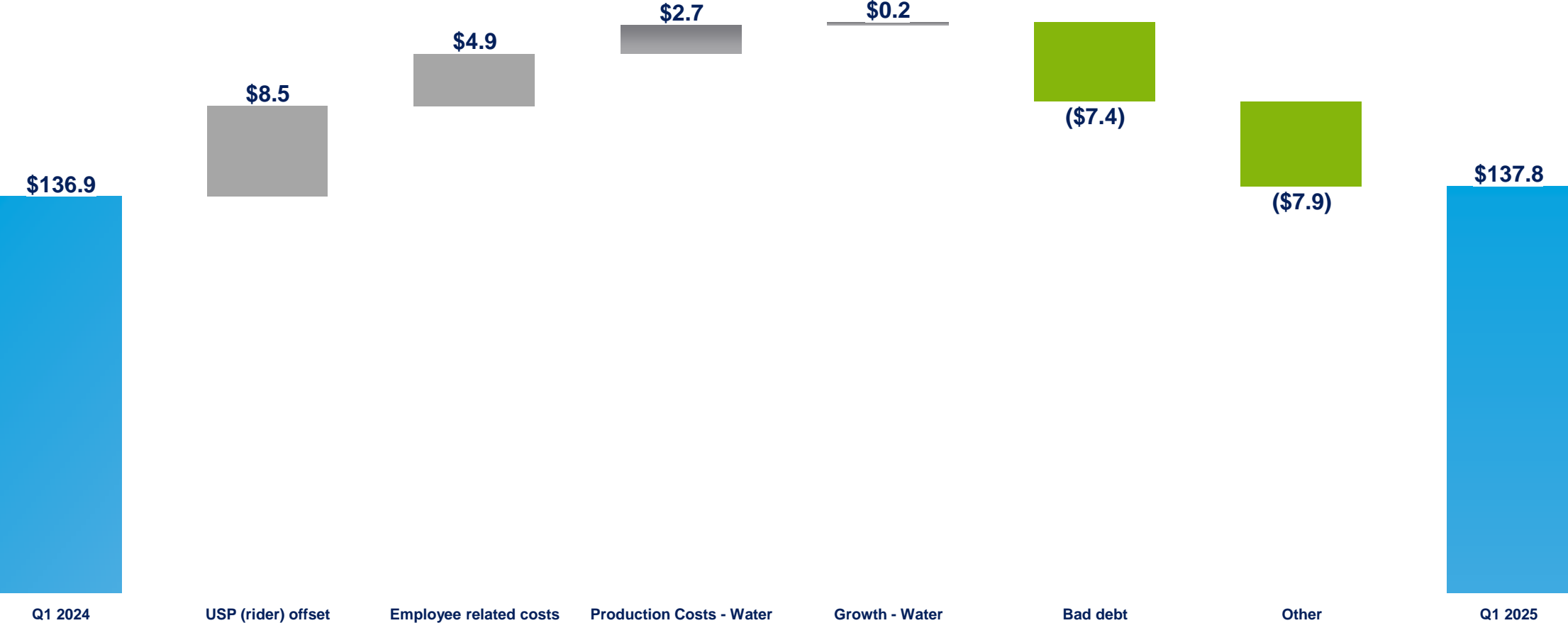
Change in Operating Revenues (millions)



Operations & Maintenance Expenses

Q1 2025 vs. Q1 2024

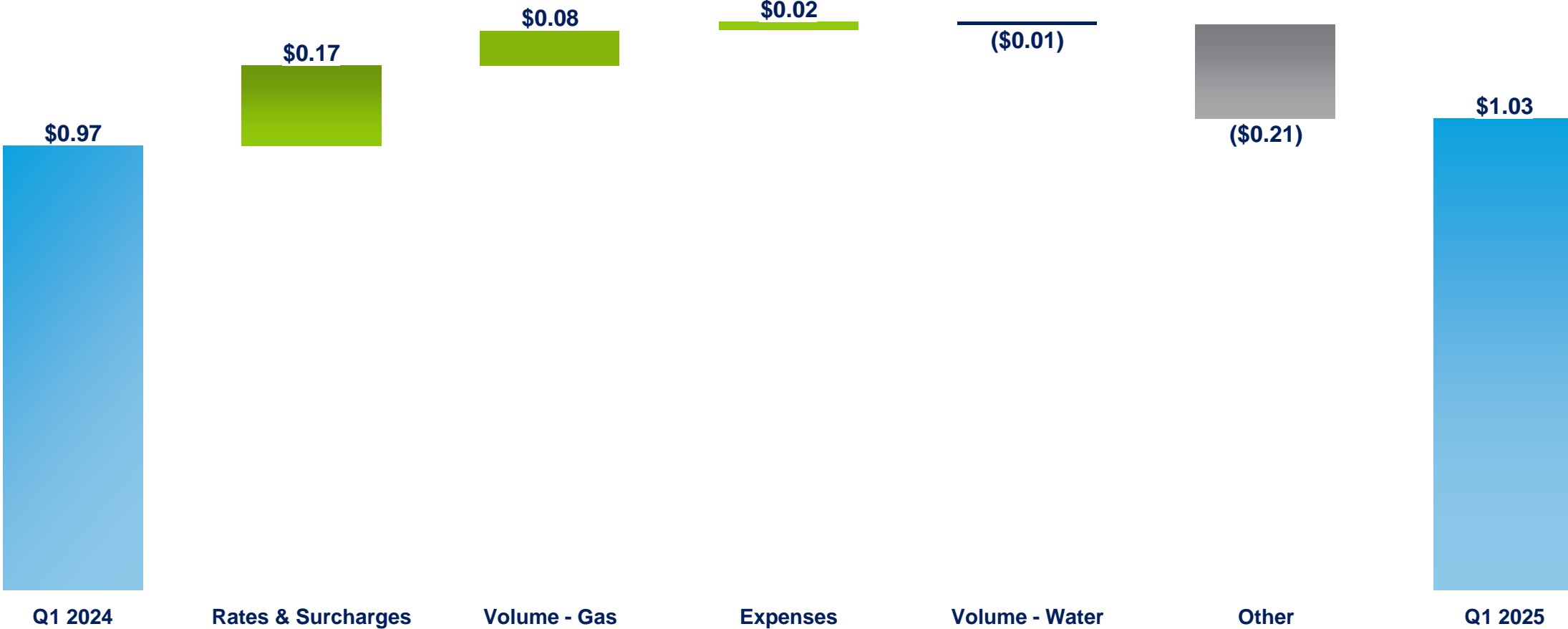
Change in Operations & Maintenance Expense (millions)



Earnings per Common Share

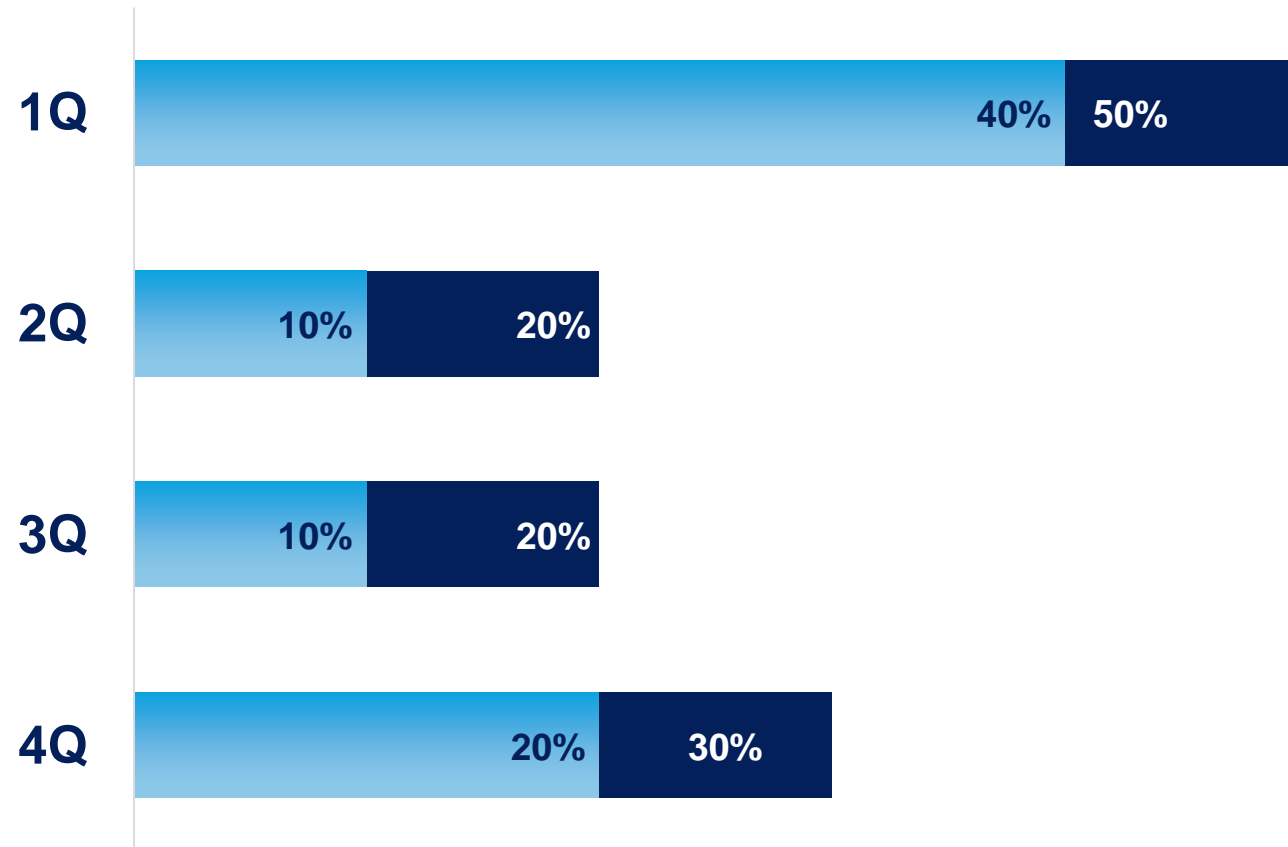
Q1 2025 vs. Q1 2024

Change in Earnings Per Share



Earnings Quarterly Breakdown

Approximate Net Income by Quarter



Based on company projections, 60-80% of net income is expected to be earned in 1Q and 4Q

Regulatory Activity

As of May 9, 2025

2025 COMPLETED REGULATORY RECOVERIES

Water segment base rate cases or surcharges in PA, OH, and NC with annualized revenue increase of \$89.6 million

Gas segment surcharges in KY with annualized revenue increase of \$0.5 million

PENDING REGULATORY RECOVERIES

Water segment base rate cases or surcharges in NJ and NC with requested annualized revenue increase of \$47.2 million

Gas segment base rate cases or surcharges in KY with requested annualized revenue increase of \$12.3 million



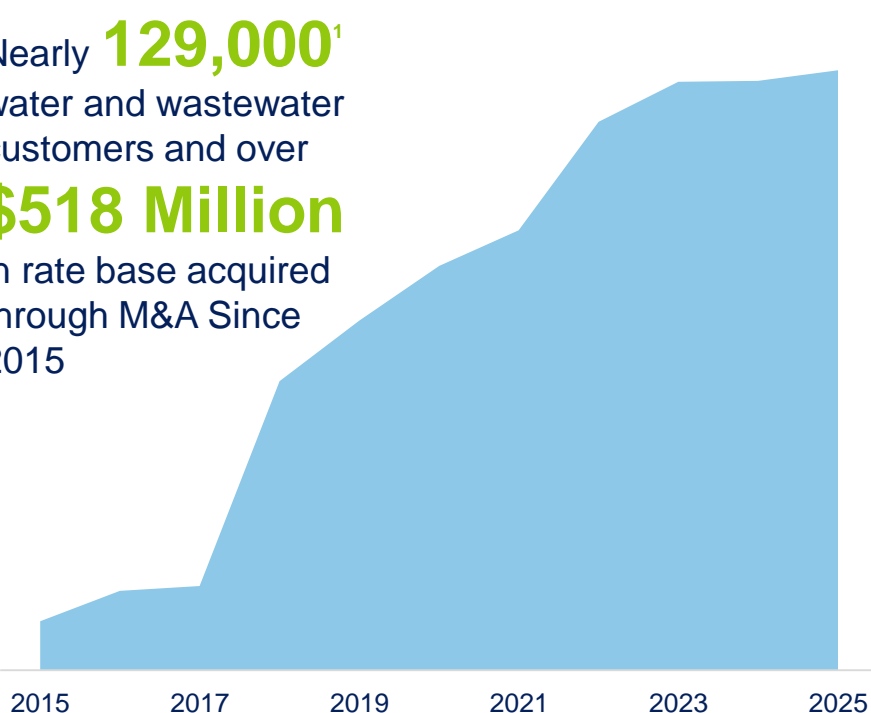
Christopher Franklin

Chairman and Chief
Executive Officer

Continued Water and Wastewater Acquisition Success

Cumulative Additions of Customers Through Acquisitions Since 2015

Nearly **129,000¹** water and wastewater customers and over **\$518 Million** in rate base acquired through M&A Since 2015



Closed Transactions



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



BEAVER FALLS

- Wastewater
- 7,600 customers⁽¹⁾
- \$37.8M purchase price



INTEGRA⁽²⁾

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

Over 210,000¹ Total Customers **~\$340.0M** Total Purchase Price

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

Guidance Outlook¹

<h2>Corporate Growth Targets</h2>		2025 normalized net income per diluted common share target of \$2.07- \$2.11	Through 2027, EPS will grow at a CAGR of 5 – 7%	Regulated utility rate base growth of 8% through 2029	\$1.4 to \$1.5B infrastructure investment for 2025	2025-2029 Infrastructure investments of ~\$7.8B	In 2025 we expect to raise ~\$315M in equity

<h2>Dividends & Capital Structure</h2>		<u>Dividend Payout Ratio</u>	<u>Debt to Capital Ratio</u>	<u>FFO to Net Debt Ratio</u>
		60 - 65%	50 - 55%	12 - 14%

<h2>Aqua Targets</h2>		Segment rate base CAGR of approximately 6% through 2029	Segment customer base annual growth rate of between 2 and 3% over the long-term

<h2>Peoples Targets</h2>		Segment rate base CAGR of approximately 11% through 2029	Segment customer base expected to be stable through 2027

1) Guidance includes signed municipal water and wastewater acquisitions for which the company has entered into signed purchase agreements as of the time the 2025 guidance was announced but does not include DELCORA or other potential municipal acquisitions from the company's list of acquisition opportunities. The guidance is also based on the company's expectation that it will continue to issue equity and debt on an as needed basis to support acquisitions and capital investment plans.

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.

Questions

For More Information Contact:



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Investor Relations**

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Appendix

2024 Regulatory Activity Completed

State	Docket Number	Segment	Type	Annualized Revenue Increase (\$ 000's)
Illinois	N/A	Water	Surcharge	1,497
	N/A	Wastewater	Surcharge	567
	24-0188	Water	Surcharge	1,823
	24-0188	Wastewater	Surcharge	693
	24-0044	Water	Rate Case	4,726
	24-0044	Wastewater	Rate Case	6,906
Ohio	N/A	Wastewater	Rate Case	490
	N/A	Water	Rate Case	10
	N/A	Water	Rate Case	861
	N/A	Water	Rate Case	766
New Jersey	WR24010057	Water	Rate Case	2,250
North Carolina	W-218, Sub 573	Water	Rate Case - Year 2	2,094
	W-218, Sub 573	Wastewater	Rate Case - Year 2	1,098
	W-218, Sub 573	Water	Rate Case - Year 2	449
	W-218, Sub 573	Water	Rate Case - Year 2	89
	W-218, Sub 573	Wastewater	Rate Case - Year 2	13
Virginia	CASE NO. PUR-2023-00073	Water	Rate Case	4,830
	CASE NO. PUR-2023-00073	Wastewater	Rate Case	660
Pennsylvania	M-2023-3039145	Gas	Surcharge	20,887
	M-2024-3047760	Gas	Surcharge	-256
	R-2023-3044549	Gas	Rate Case	93,000
	M-2024-3051299	Water	Surcharge	8,193
	M-2024-3051315	Wastewater	Surcharge	487
	M-2024-3049664	Water	Surcharge	3,714
	M-2024-3049675	Wastewater	Surcharge	537
	M-2024-3047751	Water	Surcharge	5,626
	M-2024-3047769	Wastewater	Surcharge	142
	M-2023-3045036	Water	Surcharge	5,189
M-2023-3045037	Wastewater	Surcharge	192	
Kentucky	2024-00078	Gas	Surcharge	-50
	2023-00343	Gas	Surcharge	1,220

2025 Regulatory Activity Completed

State	Docket Number	Segment	Type	Annualized Revenue Increase (\$ 000's)
Ohio	N/A	Water	Rate Case	889
	N/A	Water	Rate Case	801
	24-910-WW-SIC	Water	Rate Case	3,237
	24-911-ST-SIC	Wastewater	Rate Case	45
North Carolina	W-218, Sub 573	Water	Rate Case - Year 3	2,242
	W-218, Sub 573	Wastewater	Rate Case - Year 3	1,153
	W-218, Sub 573	Water	Rate Case - Year 3	471
	W-218, Sub 573	Water	Rate Case - Year 3	108
	W-218, Sub 573	Wastewater	Rate Case - Year 3	157
Pennsylvania	R-2024-3047822	Water	Rate Case	58,400
	R-2024-3047824	Wastewater	Rate Case	14,600
	M-2024-3052594	Water	Surcharge	7,235
	M-2024-3052599	Wastewater	Surcharge	291
Kentucky	2024-00332	Gas	Surcharge	466

Regulatory Activity Pending

State	Docket Number	Segment	Type	Requested Annualized Revenue Increase (\$ 000's)
New Jersey	No input	Water	Surcharge	2,468
North Carolina	W-218, Sub 629	Water and Wastew ater	Rate Case	44,763
Kentucky	2024-00346	Gas	Rate Case	10,910
	No input	Gas	Surcharge	1,371

State by State Comparison of Services

As of December 31, 2024

	Water and Wastewater				Gas Distribution	
State	Rate Base (millions)	Water Connections	Wastewater Connections	Total Customers	Rate Base (millions)	Total Customers
PA	\$4,538	458,504	62,429	520,933	\$4,025	704,674
IL	\$578	69,724	24,751	94,475		
OH	\$555	153,489	11,267	164,756		
TX	\$679	76,044	25,209	101,253		
NC	\$398	87,320	23,380	110,700		
NJ	\$281	56,048	6,909	62,957		
KY					\$164	40,765
IN	\$130	1,456	31,402	32,858		
VA	\$130	27,461	8,474	35,935		
TOTAL	\$7,289	930,046	193,821	1,123,867	\$4,189	745,439

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