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WTRG



Essential™

**Full Year 2025
Earnings Call**
February 26th, 2026





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 or 10-Q, which are 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

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

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

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

Strong balance sheet and low-beta

Accretive in First Year After Close

7-9% EPS and DPS growth target



Daniel Schuller

—
EVP,
Chief Financial Officer

Full Year Financial Highlights

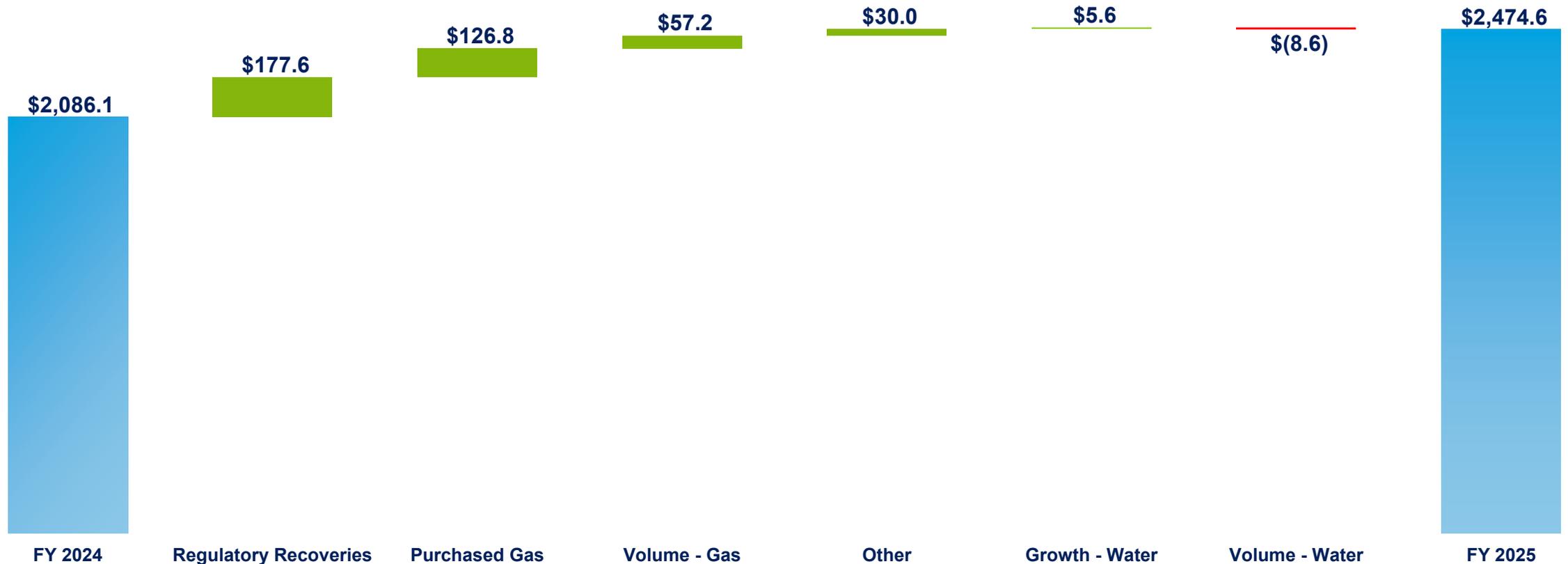
As of December 31st, 2025

(\$ 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

Operating Revenues

FY 2025 vs. FY 2024

Change in Operating Revenues (millions)

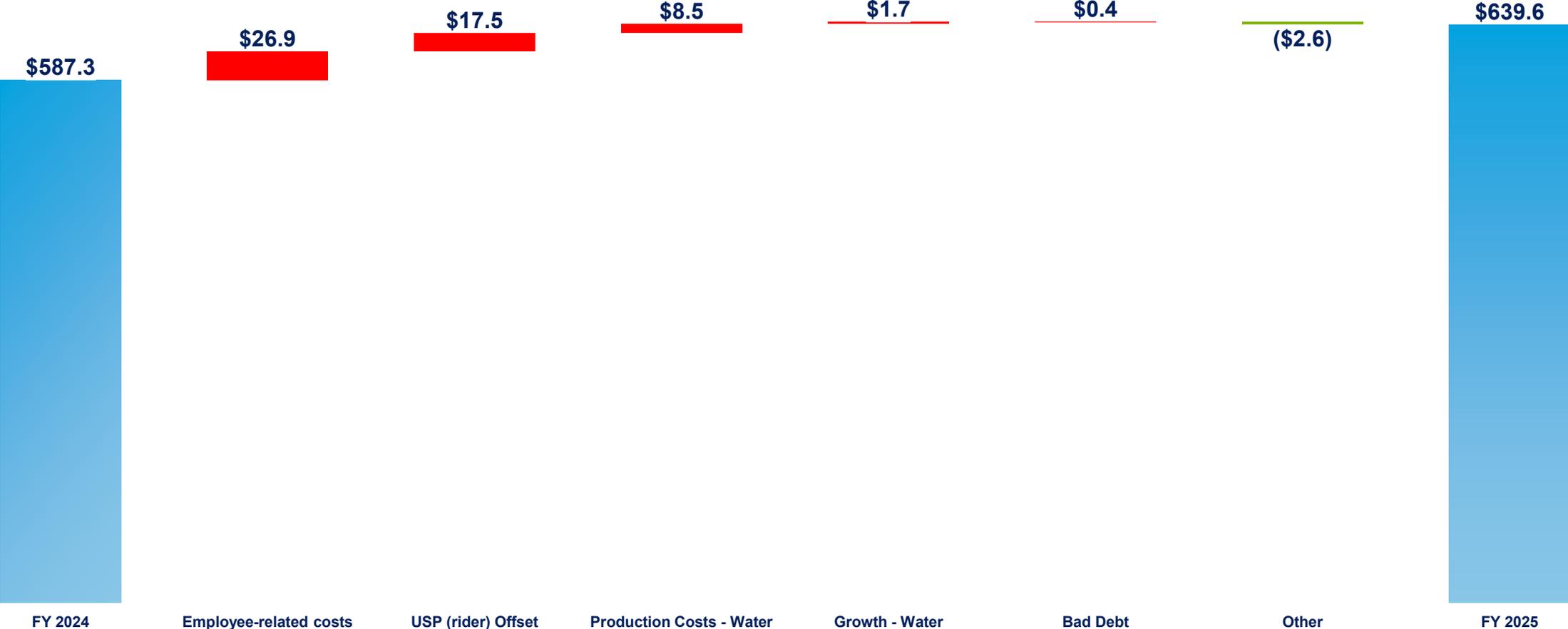


Figures may not total precisely due to rounding

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



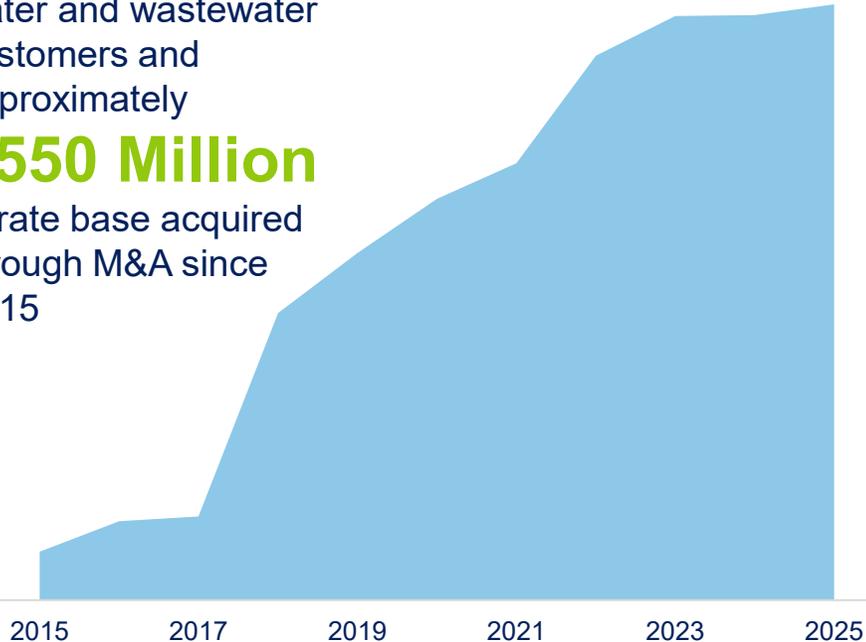
Christopher Franklin

Chairman and Chief
Executive Officer

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.

Guidance Outlook

Earnings Per Share	 Anticipated growth in long-term earnings per share at a compounded annual growth rate of 5 to 7% from the adjusted 2024 earnings per share of \$1.97 (non-GAAP) for the three-year period through 2027.
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Dividends & Capital Structure		<u>Dividend Payout Ratio</u>	<u>Debt to Capital Ratio</u>	<u>FFO to Net Debt Ratio</u>
		60 - 65%	50 - 55%	> 12%

Capital Expenditure	 In 2026, regulated infrastructure investments are expected to be \$1.7 billion.
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PFAS	 Multiyear plan to ensure that finished water does not exceed the federal maximum contaminant level of the six EPA-regulated PFAS chemicals.	Commitment to providing finished water that will meet the EPA timelines and standards.
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For More Information Contact:



Brian Dingerdissen

**Vice President,
Investor Relations, FP&A and Treasury**

(610) 645-1191
BJDingerdissen@Essential.co



Ed Vallejo

**Director,
Investor Relations**

(267) 370-9717
EdVallejo@Essential.co



Appendix

Fourth Quarter Financial Highlights

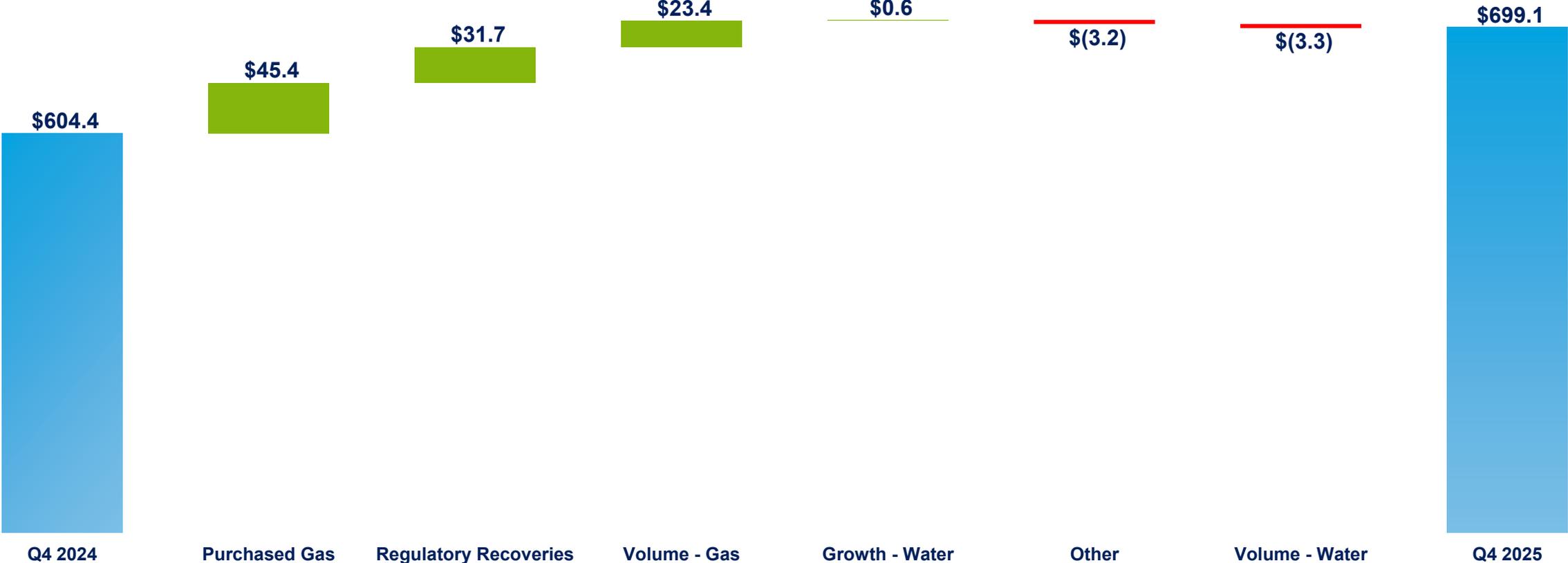
As of December 31st, 2025

(\$ in millions, except per share data)	Q4 2024	Q4 2025	Change
Operating Revenues	\$604.4	\$699.1	15.7% Increase
Purchased Gas	\$94.5	\$139.9	48.1% Increase
Operations and Maintenance Expense	\$163.5	\$200.2	22.5% Increase
Operating Income	\$226.6	\$227.0	0.2% Increase
Net Income	\$184.8	\$132.7	28.2% Decrease
Net Income per Share	\$0.67	\$0.47	29.9% Decrease

Operating Revenues

Q4 2025 vs. Q4 2024

Change in Operating Revenues (millions)

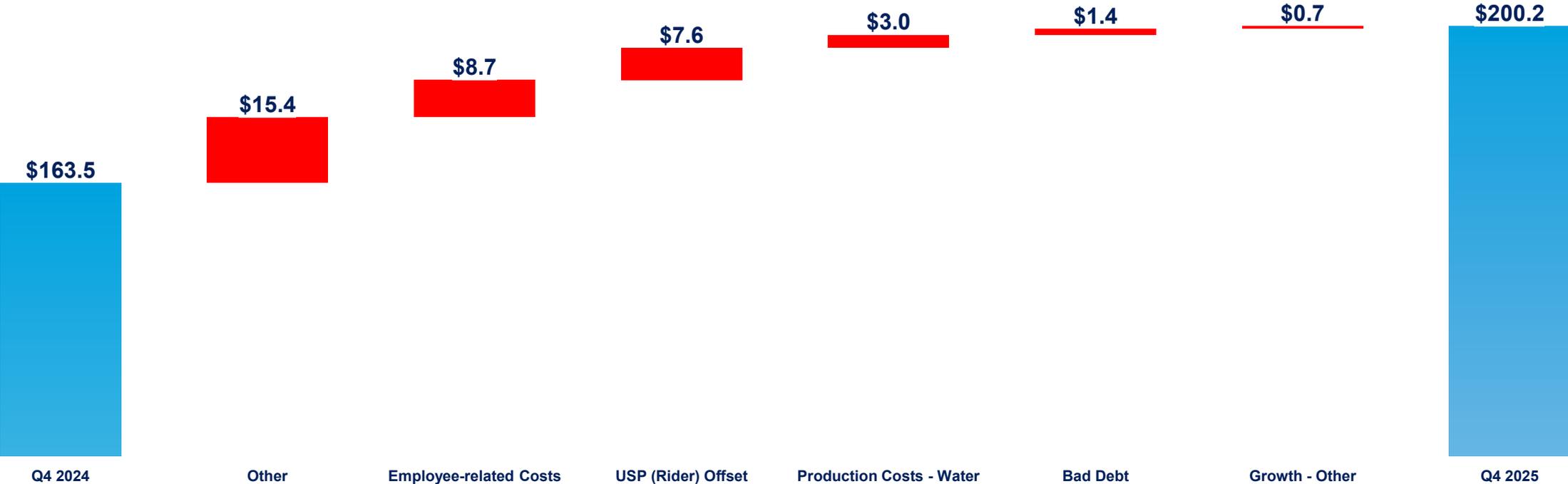


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Operations & Maintenance Expenses

Q4 2025 vs. Q4 2024

Change in Operations & Maintenance Expense (millions)

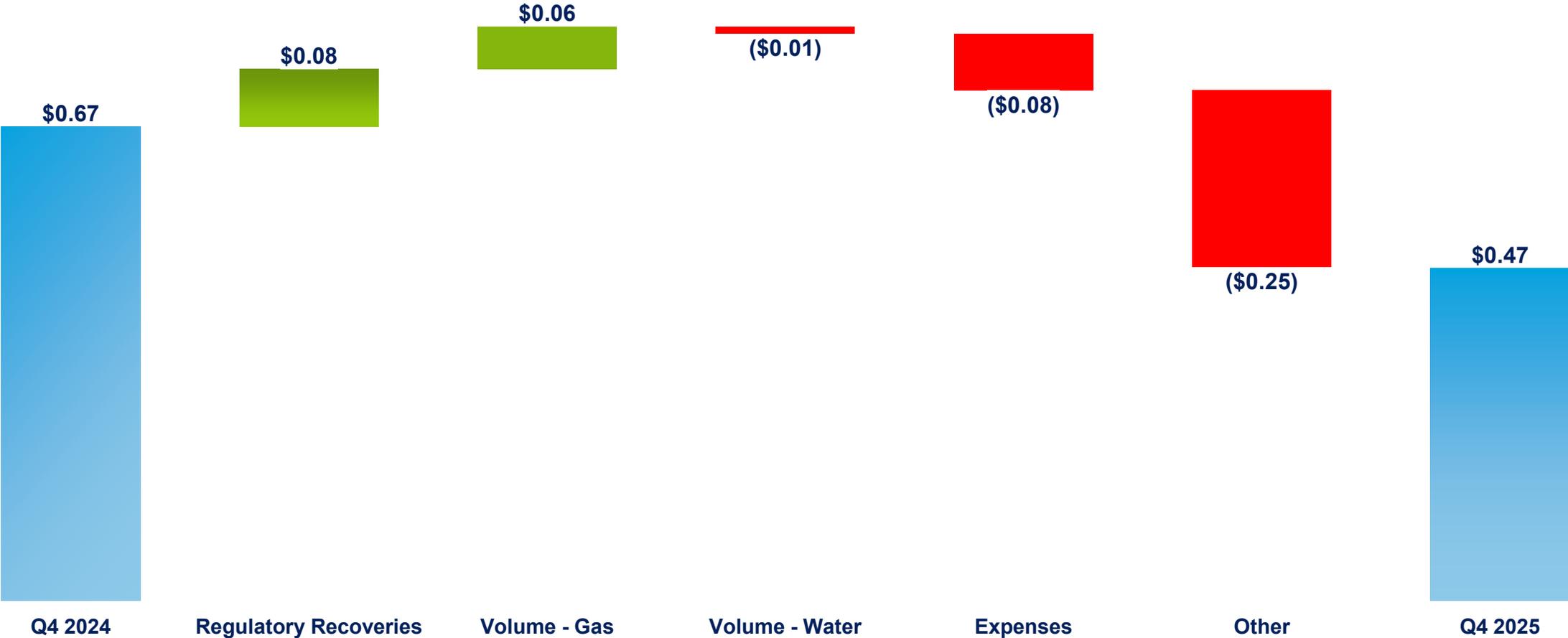


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Earnings per Common Share

Q4 2025 vs. Q4 2024

Change in Earnings Per Share



Figures may not total precisely due to rounding

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