



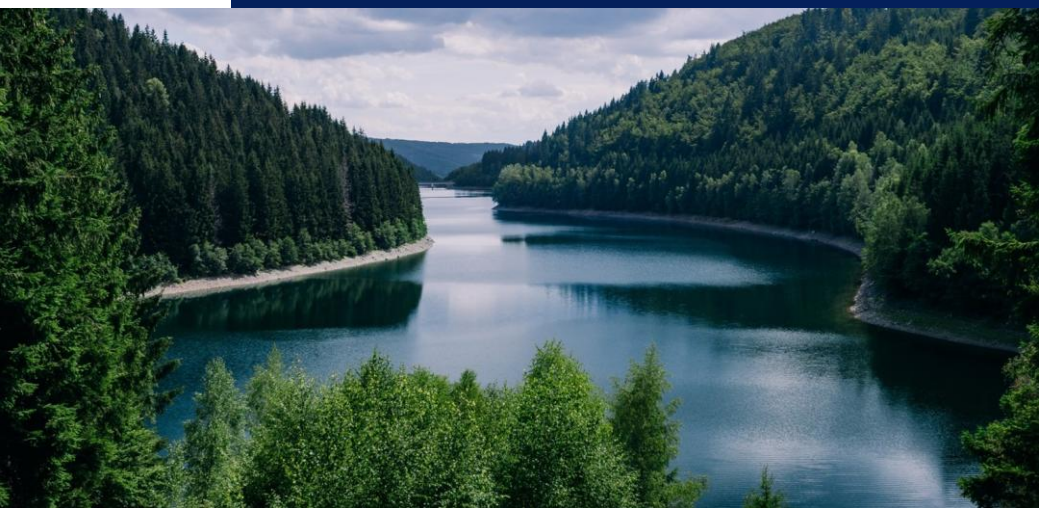
NYSE  
LISTED

WTRG



Essential™

# First Quarter 2026 Earnings Call May 7<sup>th</sup>, 2026





# Brian Dingerdissen

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Vice President  
Treasury, FP&A and Investor  
Relations

# Forward Looking Statement

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which generally include words such as “believes,” “expects,” “intends,” “anticipates,” “estimates,” and similar expressions. The Company can give no assurance that any actual or future results or events discussed in these statements will be achieved. Any forward-looking statements represent its views only as of today and should not be relied upon as representing its views as of any subsequent date. Readers are cautioned that such forward-looking statements are subject to a variety of risks and uncertainties that could cause the company’s actual results to differ materially from the statements contained in this release. Such forward-looking statements include, among others: the anticipated receipt of regulatory approvals for, and closing of, the company’s proposed merger with American Water, the company’s belief that it will comply with the finalized EPA PFAS rules, the guidance range of net income per diluted common share; the anticipated amount of infrastructure investment in 2026; the Company’s anticipated use of equity and debt financing and, that the Company has a multiyear plan to ensure that finished water does not exceed the federal maximum contaminant level for the six EPA regulated PFAS chemicals. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: the expected timing and likelihood of completion of our proposed Merger with American Water; changes in the EPA’s regulations; changes in the United States’ governmental policies, including those from the Executive Branch; disruptions in the global economy; potential disruptions in the supply chain for raw and finished materials; the continuation of the company’s growth-through-acquisition program; general economic business conditions; the company’s ability to successfully execute any equity or debt financing transactions, including on an as needed basis; housing and customer growth trends; unfavorable weather conditions; the success of certain cost-containment initiatives; changes in regulations or regulatory treatment; the company’s ability to successfully close municipally owned systems presently under agreement and successfully complete other acquisitions and dispositions; and other factors discussed in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, which are filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Essential’s business, please refer to Essential’s annual, quarterly, and other SEC filings. Essential is not under any obligation - and expressly disclaims any such obligation - to update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

For a discussion and reconciliation of Non-GAAP financial measures, see the Appendix to this presentation.



# Christopher Franklin

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Chairman and Chief  
Executive Officer

# Corporate Updates

**Received Merger  
Approval from  
Kentucky PUC**

**Q1 2026 EPS  
\$0.79 GAAP  
\$0.83 Non-GAAP**

**Long-term  
EPS CAGR  
Growth  
5-7%<sup>1</sup>**

**Strong  
Operating  
Metrics**

**Closed on  
Greenville  
Municipal Water  
Authority  
Transaction**

<sup>1</sup> From adjusted 2024 EPS of \$1.97 (Non-GAAP)

# Progressing on the Path to Merger Close

## Approvals and Timeline

### Q4 2025

#### Filed All State Regulatory Applications

Required approvals include certain public utility commissions.



### Q1 2026

#### Shareholder Approvals Received

AWK and WTRG shareholders overwhelmingly approved merger proposals on Feb. 10.



### Q2 2026 – Q1 2027

#### Obtain Regulatory Approvals

Approvals are needed from state regulators, including PA, TX, NC, NJ, IL, VA, and KY, as well as Hart-Scott-Rodino.



### Q1 2027

#### Transaction Close

Transaction expected to close by the end of Q1 2027

State	Date Filed	Docket Number	Next Steps	Approval
Pennsylvania	November 26, 2025	A-2025-3058927	Testimony in May, Rebuttal in June	
New Jersey	November 26, 2025	WM25110628	Ongoing discovery	
North Carolina	November 26, 2025	W-218 Sub 643	Testimony in June, Hearing in September	
Texas	November 25, 2025	59020	Testimony in May, Rebuttal in June	
Illinois	December 5, 2025	25-1057	Rebuttal in May, Hearings at the end of June Statutory deadline of November 5	
Virginia	December 22, 2025	PUR-2025-00229	Statutory deadline of June 20	
Kentucky	December 22, 2025	2025-00408	Approved on April 21	✓

# Integration Process

## Integration planning effort underway

Essential employees are involved as part of:

Integration  
Management Office

Core Integration Team

Subject Matter  
Experts

## Subject matter experts at both companies

Reviewing various workstreams to create the combined AWK/WTRG company

Engineering

Supply Chain

Communications

Finance

Legal

Operations

# Operational Excellence & Quality



## Safe Water

Unwavering commitment to water quality and safety standards



## Infrastructure

Leveraging scale for more efficient infrastructure investment



## Stewardship

Dedicated stewards of environmental resources and habitats



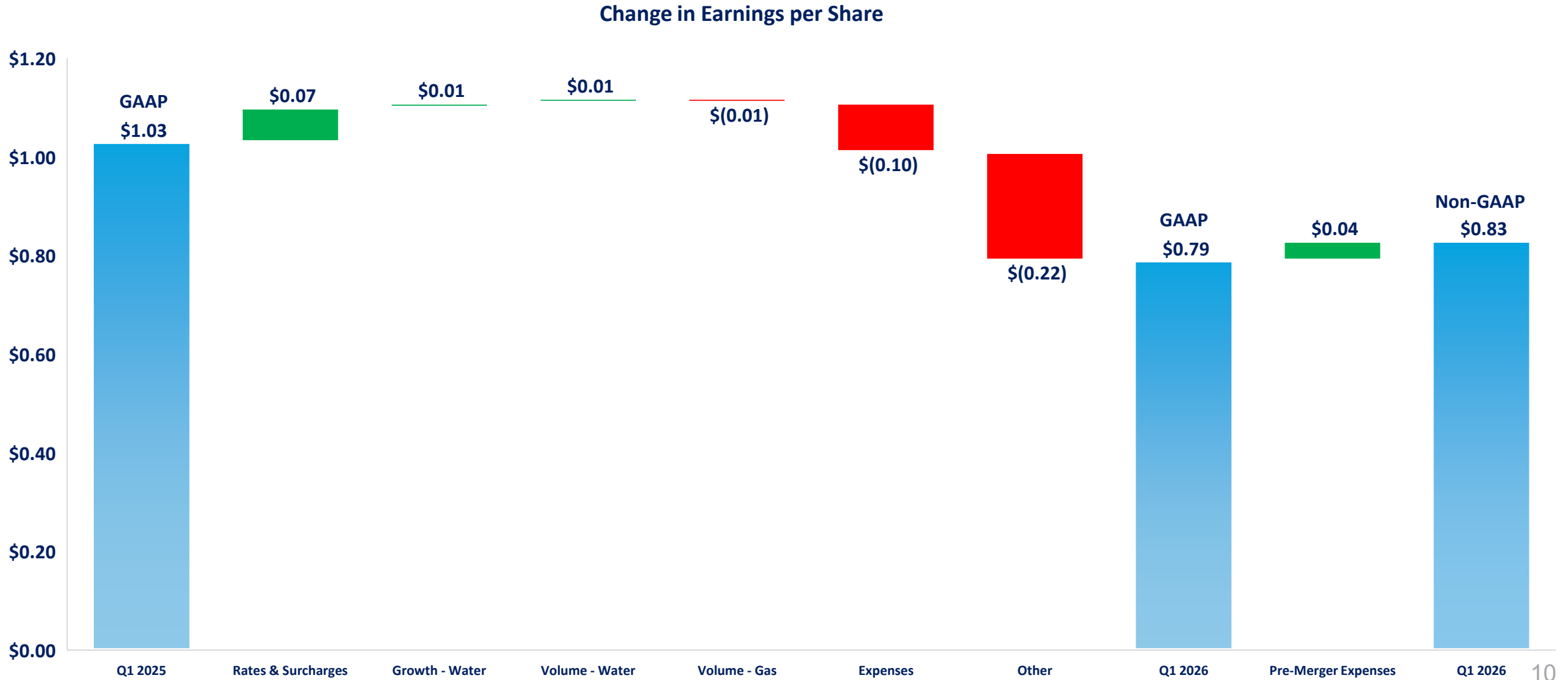
# Daniel Schuller

—  
EVP,  
Chief Financial Officer



# Earnings per Common Share

Q1 2026 vs. Q1 2025



# Regulatory Activity

As of May 6, 2026

## 2026 COMPLETED REGULATORY RECOVERIES

Water segment base rate cases or surcharges in PA, IL, IN, and OH with annualized revenue increase of \$5.7 million

Gas segment base rate cases or surcharges in PA and KY with annualized revenue increase of \$9.4 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

Gas segment base rate in PA with requested annualized revenue increase of \$163.2 million



# Christopher Franklin

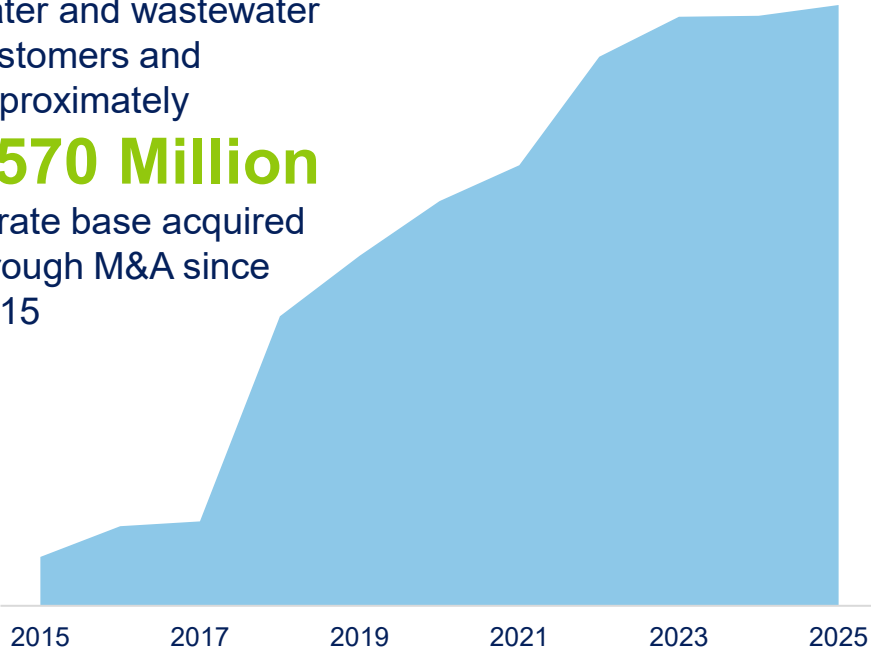
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Chairman and Chief  
Executive Officer

# Continued Water and Wastewater Acquisition Success

## Cumulative Additions of Customers Through Acquisitions Since 2015

Over **138,000<sup>1</sup>** water and wastewater customers and approximately **\$570 Million** in rate base acquired through M&A since 2015



## Transactions Closed in 2026

**PA**

**GREENVILLE**

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

## Selected Pending Transactions <sup>(2)</sup>

**PA**

**DELCORA**

- Wastewater
- 198,000 customers<sup>(1)</sup>
- \$276.5M purchase price

**TX**

**DRIL-QUIP<sup>(2)</sup>**

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

**TX**


**INTEGRA<sup>(2)</sup>**


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

**~ 201,000<sup>1</sup>** Total Customers      **~\$285M** Total Purchase Price


(1) Essential's estimate of the number of equivalent dwelling units.  
 (2) Additional APAs are signed in PA, NJ, NC and TX.  
 (3) Dril-Quip and Integra are privately owned utilities.

# Guidance Outlook

<b>Earnings Per Share</b>	 Anticipated growth in long-term earnings per share at a compound 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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<b>Dividends &amp; Capital Structure</b>		<u>Dividend Payout Ratio</u>	<u>Debt to Capital Ratio</u>	<u>FFO to Net Debt Ratio</u>
		<b>60 - 65%</b>	<b>50 - 55%</b>	<b>&gt; 12%</b>

<b>Capital Expenditure</b>	 In 2026, regulated infrastructure investments are expected to be \$1.7 billion.
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<b>PFAS</b>	 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:



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# Appendix

# Reconciliation of GAAP to Non-GAAP Financial Measures

The Company is providing disclosure of the reconciliation of adjusted earnings per share, a non-GAAP financial measure referenced in this release, to the most comparable GAAP financial measure. Adjusted earnings per share does not comply with U.S. generally accepted accounting principles (GAAP), and is thus considered to be a “non-GAAP financial measure” under applicable SEC regulations.

Adjusted earnings per share is one of the primary metrics used by management to evaluate the Company’s financial performance and compare it to that of its peers, evaluate the effectiveness of the Company’s business strategies, and in connection with executive compensation decisions. This measure is also frequently used by analysts, investors, and others to evaluate industry peers. Further, the Company believes adjusted earnings per share is helpful in highlighting trends in the Company’s results because it allows for more consistent comparisons of performance between periods by excluding gains and losses that are non-operational in nature or outside the control of management. The Company further believes that this non-GAAP financial measure is useful to investors as a more meaningful way to compare the Company’s operating performance against its guidance. This non-GAAP measure does, however, have certain limitations and should not be considered as an alternative to earnings per share or any other performance.

Adjusted earnings per share adjusts for the following items:

- (1) costs associated with the pending merger with American Water; and
- (2) the income tax impact of the non-GAAP adjustment described above.

# GAAP to Non-GAAP Reconciliation

Year Ended December 31, 2024

(in millions, except per share data)	FY 2024
<b>Net income (GAAP financial measure)</b>	<b>\$595.3</b>
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
<b>Adjusted income (Non-GAAP financial measure)</b>	<b>\$540.9</b>
<b>Net income per common share (GAAP financial measure):</b>	
Basic	\$2.17
Diluted	\$2.17
<b>Adjusted income per common share (Non-GAAP financial measure):</b>	
Basic	\$1.97
Diluted	\$1.97
<b>Average common shares outstanding:</b>	
Basic	273.9
Diluted	274.4

# GAAP to Non-GAAP Reconciliation

Three Months Ended March 31, 2026

(in millions, except per share data)	1Q 2026
<b>Net income (GAAP financial measure)</b>	<b>\$224.4</b>
Adjustments:	
Costs associated with the pending merger	16.3
Income tax effect of non-GAAP adjustments	(4.4)
<b>Adjusted income (Non-GAAP financial measure)</b>	<b>\$236.3</b>
<b>Net income per common share (GAAP financial measure):</b>	
Basic	\$0.79
Diluted	\$0.79
<b>Adjusted income per common share (Non-GAAP financial measure):</b>	
Basic	\$0.83
Diluted	\$0.83
<b>Average common shares outstanding:</b>	
Basic	283.2
Diluted	283.6

# State by State Comparison of Services

As of December 31<sup>st</sup>, 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		
<b>TOTAL</b>	<b>\$7,806</b>	<b>935.3</b>	<b>201.2</b>	<b>1,136.5</b>	<b>\$4,635</b>	<b>747.4</b>

# 2026 Regulatory Activity Completed

As of May 6, 2026

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
Illinois	1/1/2026	SRM #25-030	Wastewater	Surcharge	738
Indiana	1/1/2026	N/A	Wastewater	Rate Case	117
Indiana	4/1/2026	N/A	Wastewater	Rate Case	886
Pennsylvania	4/1/2026	M-2026-3061233	Water	Surcharge	127
Pennsylvania	4/1/2026	M-2026-3061275	Wastewater	Surcharge	174
Pennsylvania	1/1/2026	M-2025-3053185	Gas	Surcharge	4,946
Pennsylvania	4/1/2026	M-2026-3060167	Gas	Surcharge	1,611
Kentucky	1/1/2026	2025-00333	Gas	Surcharge	2,819
				<b>Total</b>	<b>15,125</b>

# Regulatory Activity Pending

As of May 6, 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
North Carolina	W-218, Sub 629	Water	Rate Case *	42,242
Virginia	CASE NO. PUR-2025-00071	Water	Rate Case	7,927
New Jersey	WR26010017	Water	Rate Case	7,886
<b>Water and Wastewater</b>				<b>101,856</b>
* - Revenue Increase over multi year rate plan through December 2028				
Pennsylvania	R-2026-3060855		Rate Case	163,171
<b>Gas</b>				<b>163,171</b>
			<b>Total</b>	<b>265,027</b>

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