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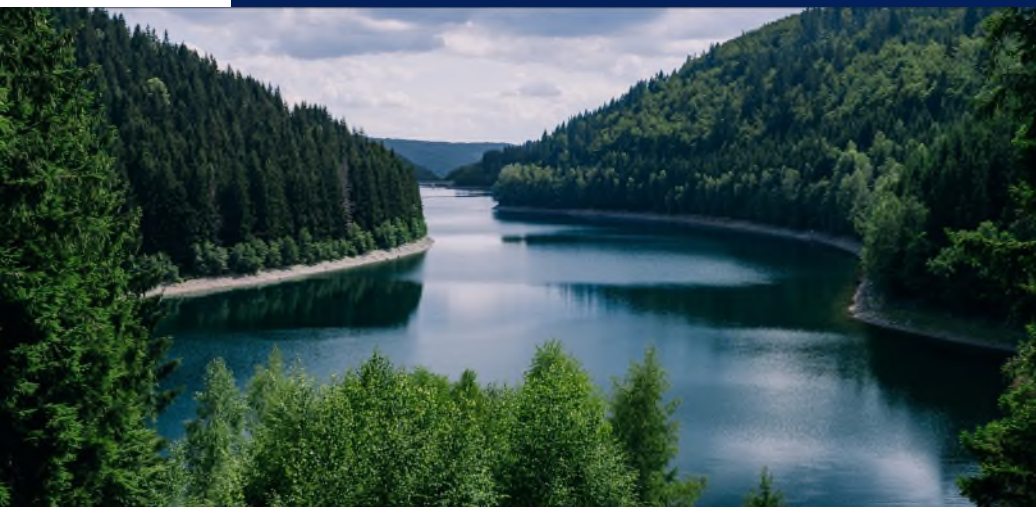
WTRG



Essential™

# Third Quarter 2025

November 5<sup>th</sup>, 2025





# Brian Dingerdissen

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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](http://www.essential.co)





# Christopher Franklin

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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

# Delivering Top Quartile Total Shareholder Return

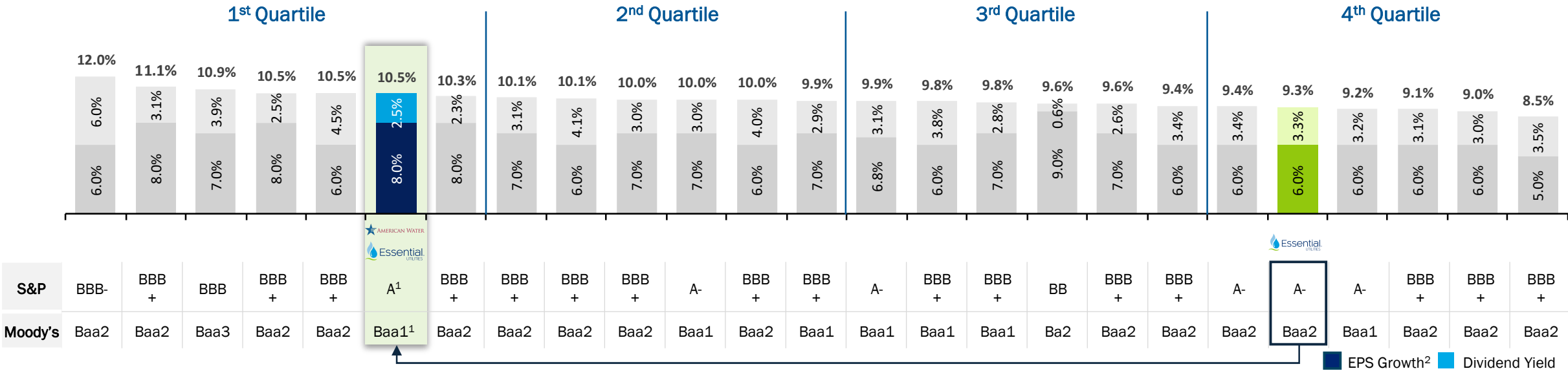
## Pro Forma EPS and Dividend Outlook

- 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



# Company Highlights

**Q3 2025 EPS of  
\$0.33**

**2025 EPS and  
Capex Guidance  
Reaffirmed**

**Long-term  
Targets  
Reaffirmed**

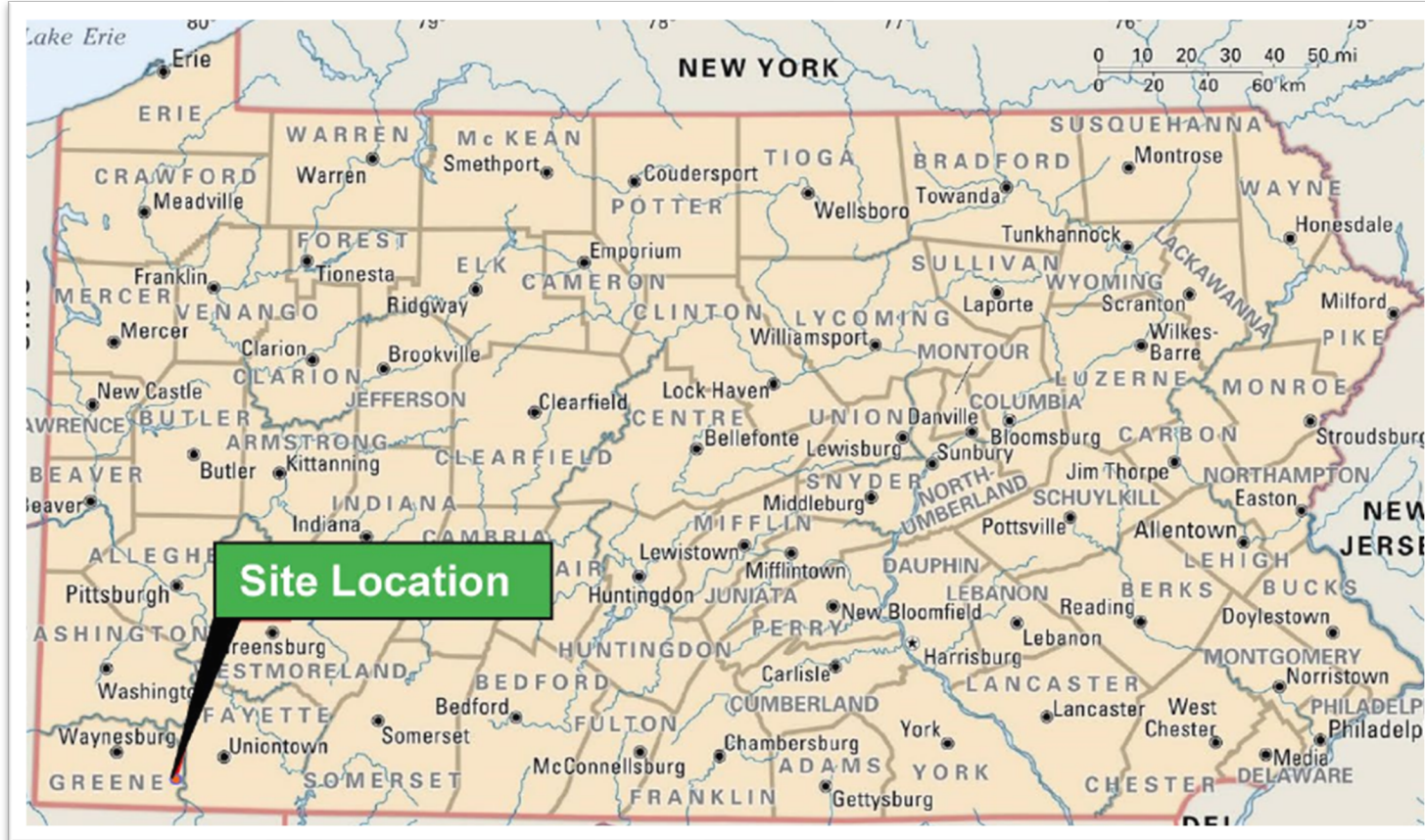
**\$26M Data  
Center  
Investment in  
Western PA**

**2024  
Sustainability  
Report  
Published**

**Intelis Meter  
Installation  
Update**



# Investment in Major Data Center in Western PA



Project will bring our water and gas expertise together to support economic development in Pennsylvania

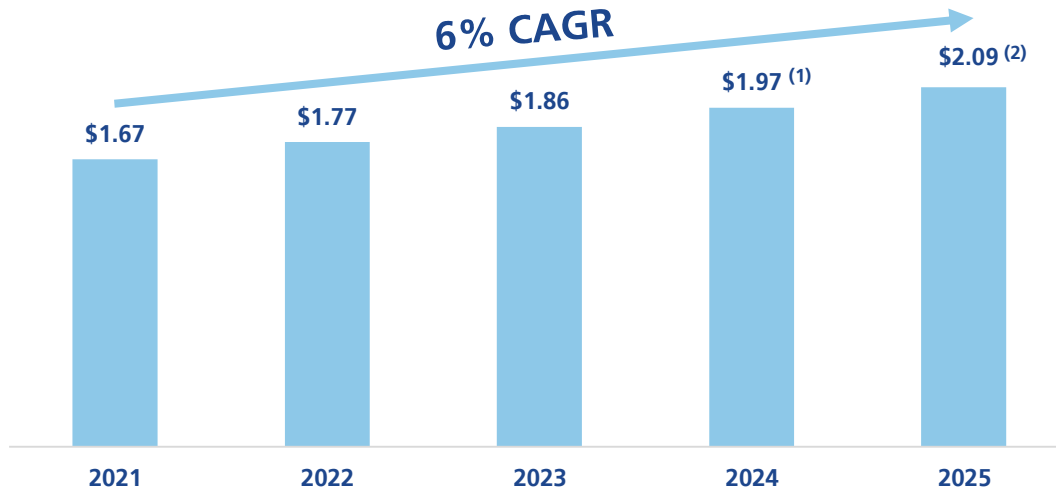
Essential's initial investment is \$26M

Expected revenues to commence FY 2029

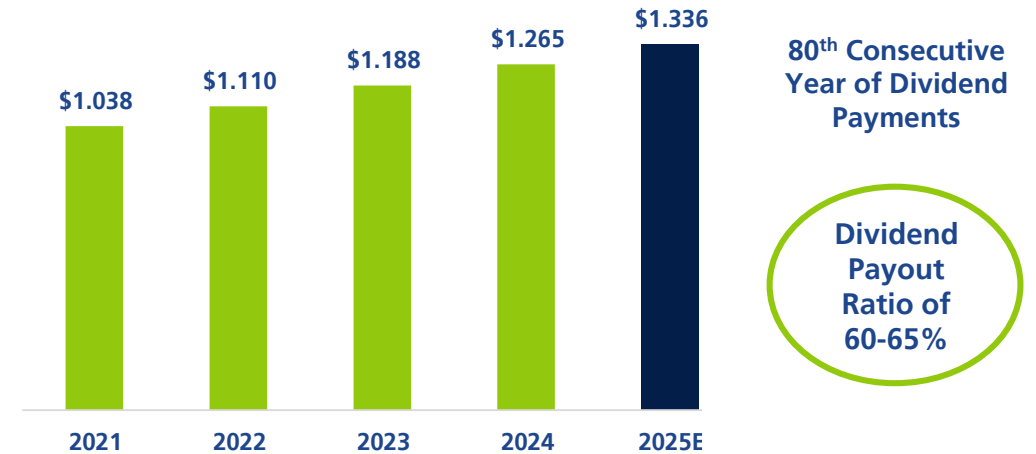
Conversations ongoing for future regulated and non-regulated data center opportunities

# Consistently Delivering Growth

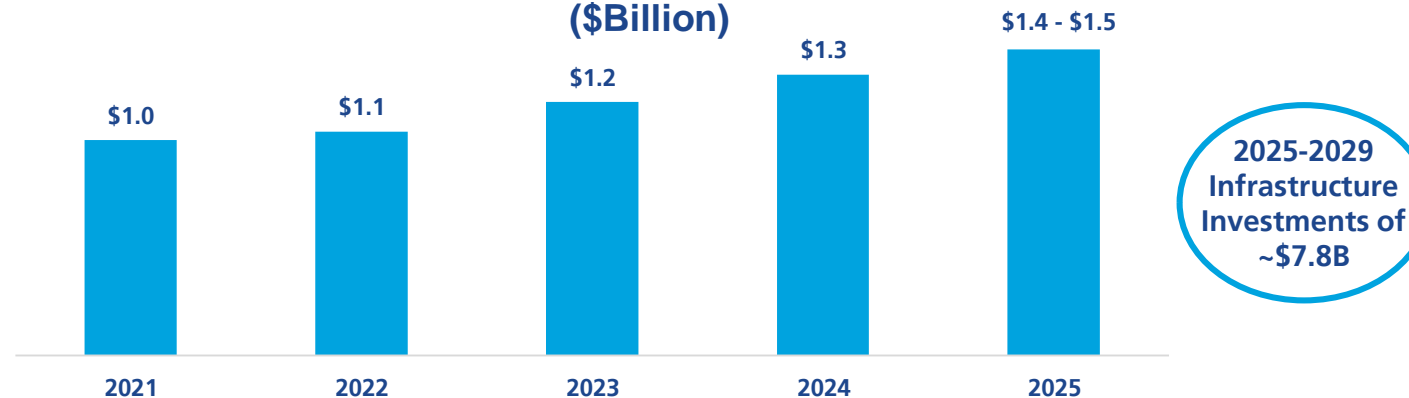
Diluted Income per Common Share



Dividends Paid per Share



Capital Expenditures  
(\$Billion)



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

(2) Based on the midpoint of the guidance range.



**Daniel Schuller**

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EVP,  
Chief Financial Officer



# Q3 Financial Highlights

As of September 30<sup>th</sup>, 2025

(\$ in millions, except per share data)	Q3 2024	Q3 2025	Change
Operating Revenues	\$435.3	\$477.0	9.6% Increase
Purchased Gas	\$19.1	\$22.5	17.8% Increase
Operations and Maintenance Expense	\$144.4	\$153.1	6.0% Increase
Operating Income	\$155.1	\$169.8	9.5% Increase
Net Income	\$69.4	\$92.1	32.7% Increase
Net Income per Share	\$0.25	\$0.33	32.0% Increase

# Operating Revenues

Q3 2025 vs. Q3 2024

Change in Operating Revenues (millions)

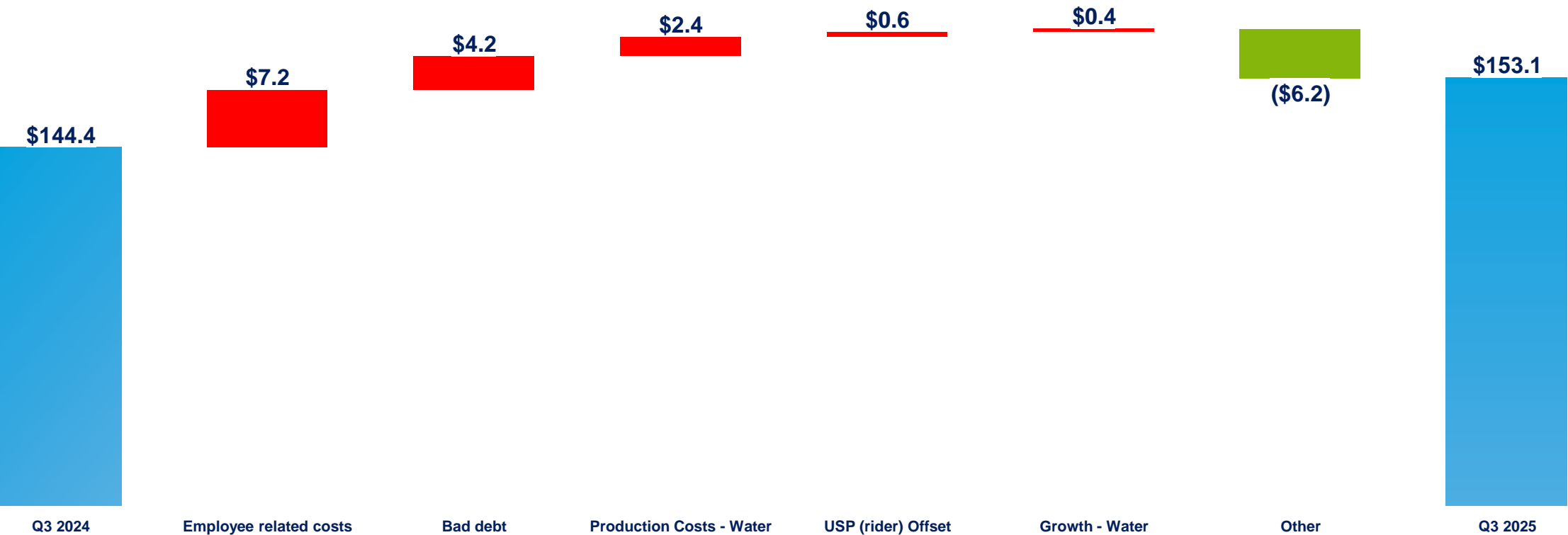


Figures may not total precisely due to rounding

# Operations & Maintenance Expenses

Q3 2025 vs. Q3 2024

Change in Operations & Maintenance Expense (millions)



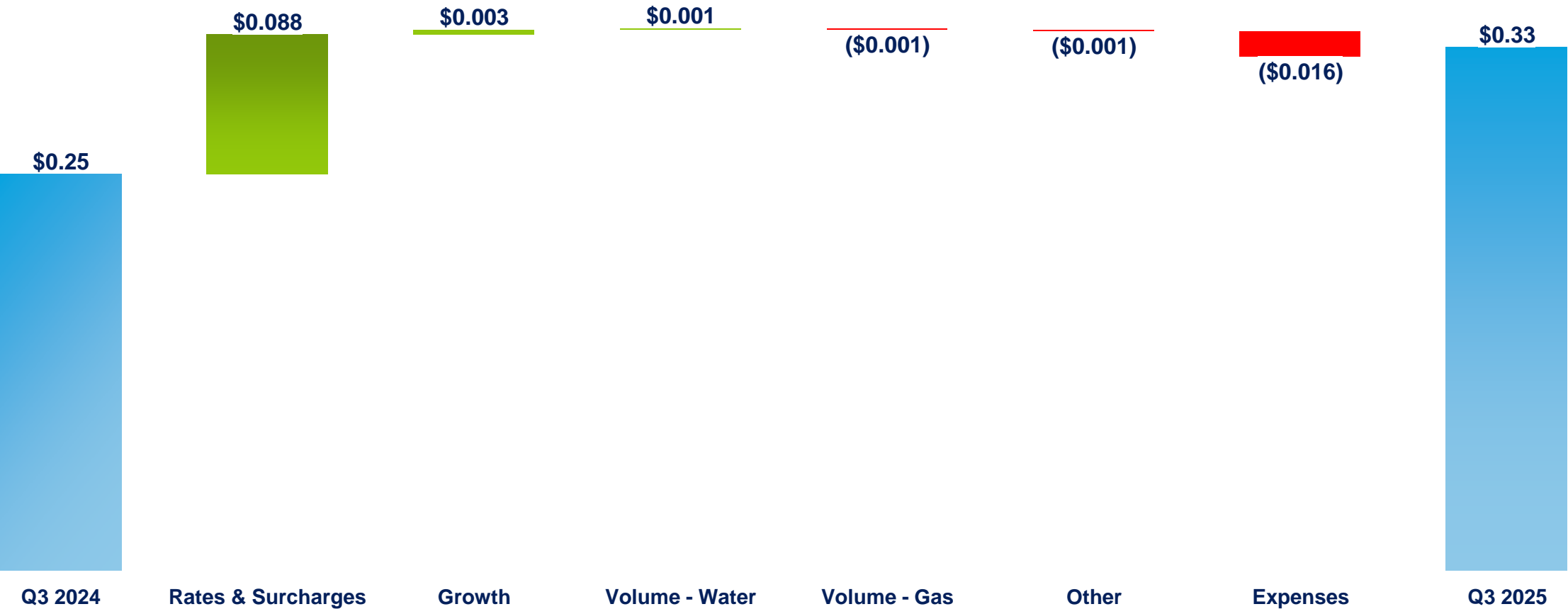
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# Earnings per Common Share

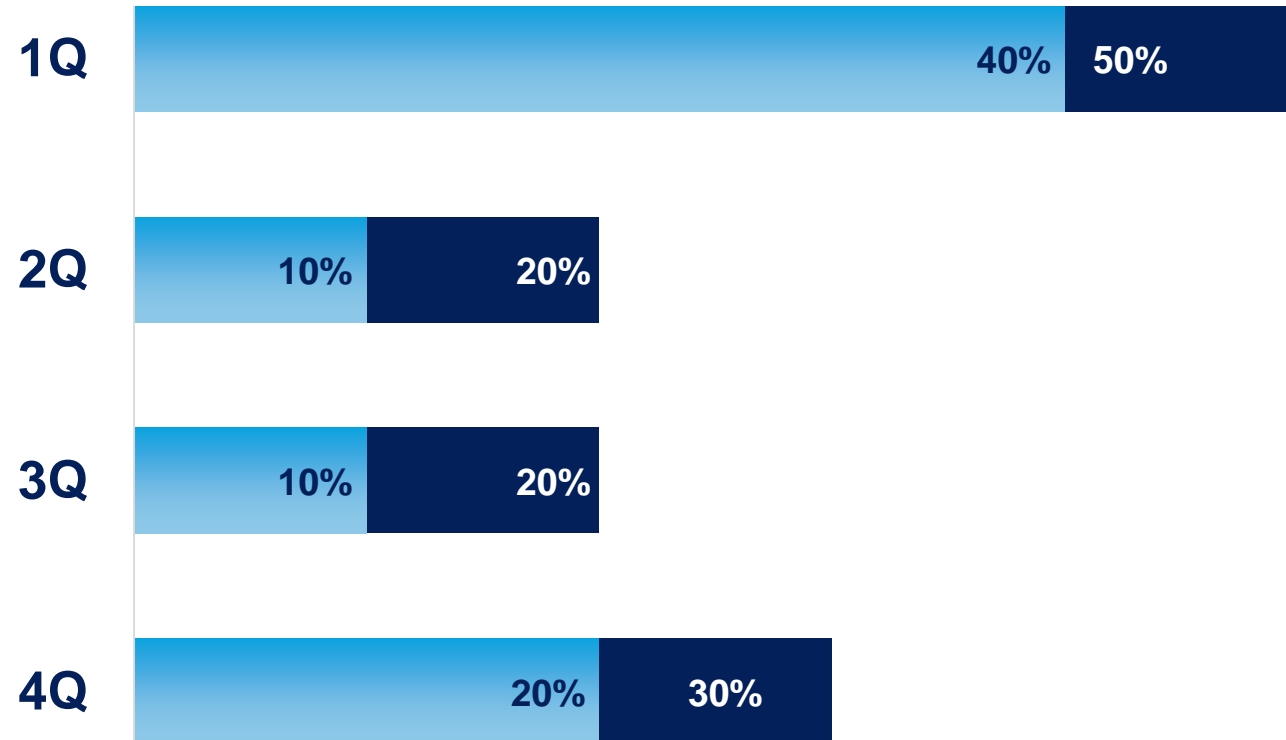
Q3 2025 vs. Q3 2024

## Change in Earnings Per Share



Figures may not total precisely due to rounding

# Approximate Earnings Per Share by Quarter



## Roadmap to Annual Guidance

1Q 2025  
GAAP EPS:  
\$1.03

2Q 2025  
GAAP EPS:  
\$0.38

3Q 2025  
GAAP EPS:  
\$0.33

Yearly  
Guidance  
\$2.07-\$2.11

For 2025, expect to achieve GAAP earnings per share above the guidance range of \$2.07-\$2.11 due to non-recurring benefits.

# Regulatory Activity

As of November 4, 2025

## 2025 COMPLETED REGULATORY RECOVERIES

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

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

## PENDING REGULATORY RECOVERIES

Water segment base rate cases and/or surcharges in NC, OH, TX, and VA with requested annualized revenue increase of \$96.5 million

Gas segment surcharge in KY with requested annualized revenue increase of \$2.9 million





# Christopher Franklin

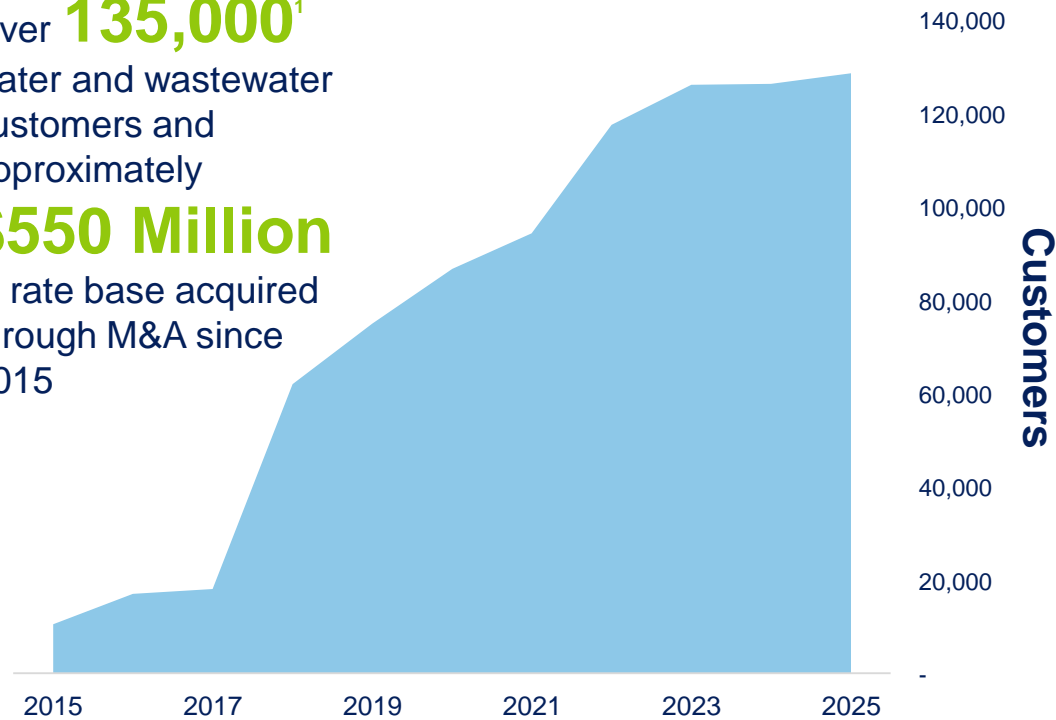
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Chairman and Chief  
Executive Officer

# Continued Water and Wastewater Acquisition Success

## Cumulative Additions of Customers Through Acquisitions Since 2015

Over **135,000<sup>1</sup>** 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<sup>(1)</sup>
- \$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<sup>(1)</sup>
- \$276.5M purchase price



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

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



#### GREENVILLE

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



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

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

**Over 200,000<sup>1</sup>** Total Customers      **~\$301M** 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<sup>1</sup>

Corporate Growth Targets	<div> <div></div> <div> 2025 normalized net income per diluted common share target of <b>\$2.07- \$2.11</b> </div> </div>	<div> <div></div> <div> Through 2027, EPS will grow at a CAGR of <b>5 – 7%</b> </div> </div>	<div> <div></div> <div> Regulated utility rate base growth of <b>8%</b> through 2029 </div> </div>	<div> <div></div> <div> <b>\$1.4 to \$1.5B</b> infrastructure investment for 2025 </div> </div>	<div> <div></div> <div> 2025-2029 Infrastructure investments of <b>~\$7.8B</b> </div> </div>	<div> <div></div> <div> In 2025, we expect to raise <b>~\$350M</b> in equity<sup>2</sup> </div> </div>
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Dividends & Capital Structure	<div> <div></div> <div> <div>Dividend Payout Ratio</div> <div><b>60 - 65%</b></div> </div> </div>	<div> <div></div> <div> <div>Debt to Capital Ratio</div> <div><b>50 - 55%</b></div> </div> </div>	<div> <div></div> <div> <div>FFO to Net Debt Ratio</div> <div><b>12 - 14%</b></div> </div> </div>
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Aqua Targets	<div> <div></div> <div> Segment rate base CAGR of <b>approximately 6%</b> through 2029 </div> </div>	<div> <div></div> <div> Segment customer base <b>annual growth rate of between 2 and 3%</b> over the long-term </div> </div>
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Peoples Targets	<div> <div></div> <div> Segment rate base CAGR of <b>approximately 11%</b> through 2029 </div> </div>	<div> <div></div> <div> Segment customer base <b>expected to be stable</b> through 2027 </div> </div>
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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.

2) Includes \$25M for the company's recently announced Greene County data center project investment



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# For More Information Contact:



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# Appendix



# YTD Financial Highlights

As of September 30<sup>th</sup>, 2025

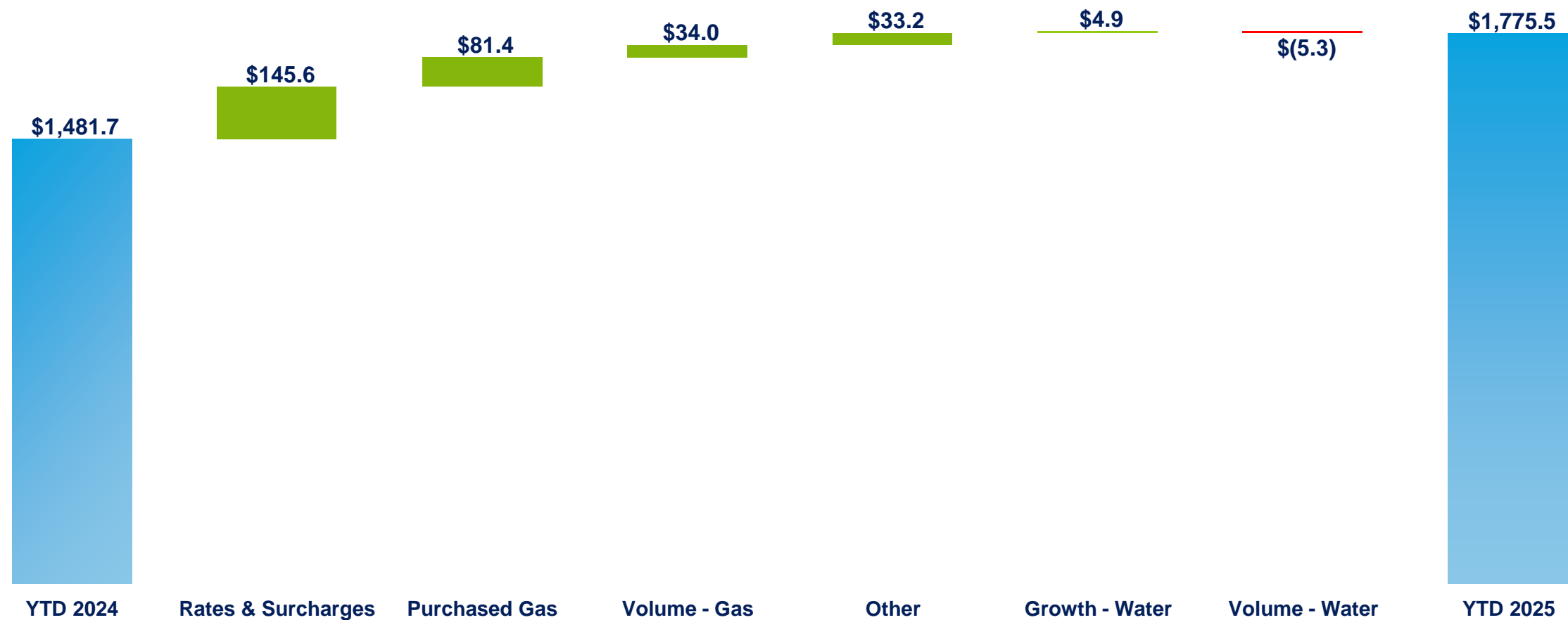
(\$ in millions, except per share data)	YTD 2024	YTD 2025	Change
Operating Revenues	\$1,481.7	\$1,775.5	19.8% Increase
Purchased Gas	\$182.5	\$263.9	44.6% Increase
Operations and Maintenance Expense	\$423.8	\$439.4	3.7% Increase
Operating Income	\$531.0	\$693.9	30.7% Increase
Net Income	\$410.6	\$483.7	17.8% Increase
Net Income per Share	\$1.50	\$1.73	15.3% Increase

# Operating Revenues

YTD 2025 vs. YTD 2024

As of September 30<sup>th</sup>, 2025

Change in Operating Revenues (millions)



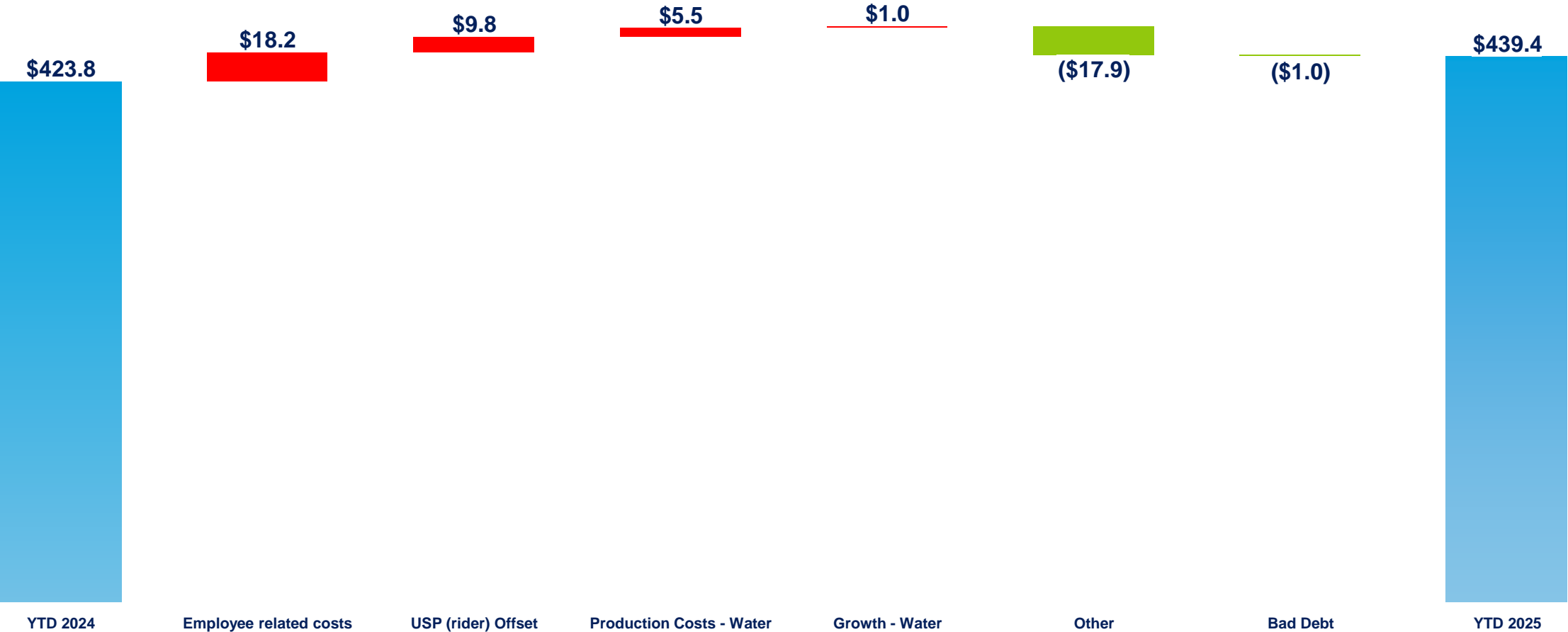
Figures may not total precisely due to rounding

# Operations & Maintenance Expenses

YTD 2025 vs. YTD 2024

As of September 30<sup>th</sup>, 2025

Change in Operations & Maintenance Expense (millions)



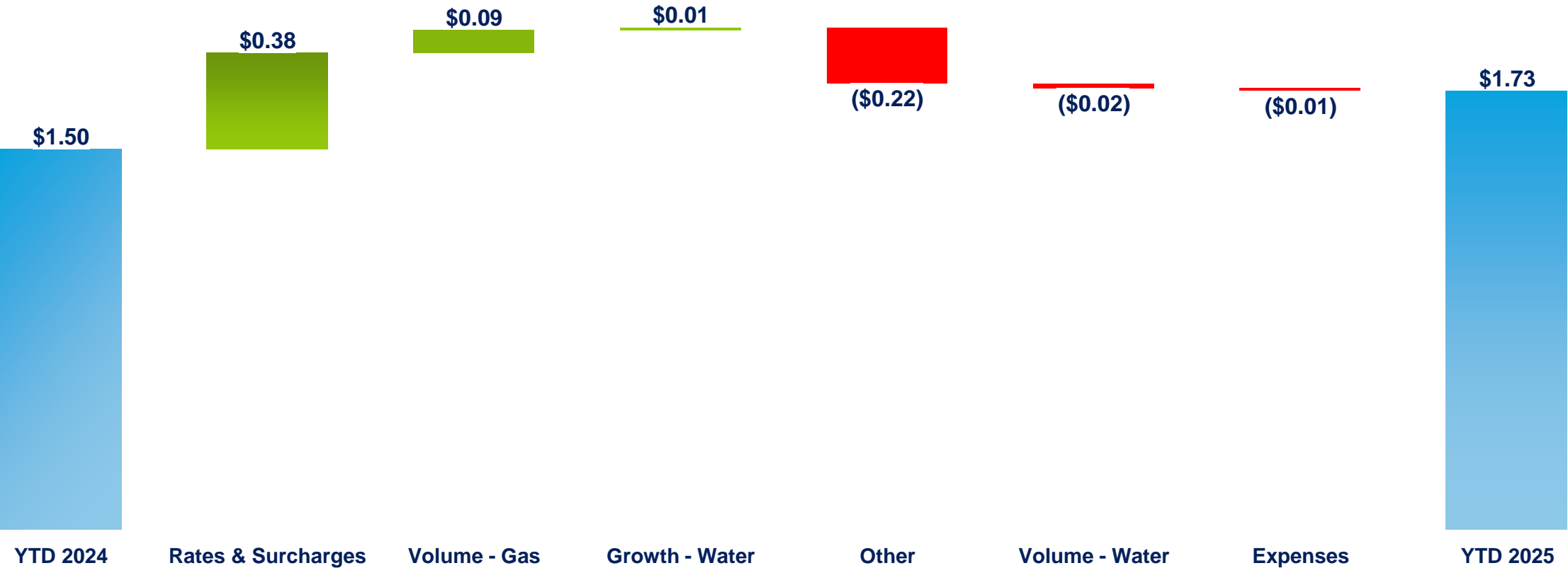
Figures may not total precisely due to rounding

# Earnings per Common Share

YTD 2025 vs. YTD 2024

As of September 30<sup>th</sup>, 2025

## Change in Earnings Per Share



Figures may not total precisely due to rounding

# 2025 Regulatory Activity Completed

As of November 4, 2025

State	Docket Number	Segment	Type	Annualized Revenue Increase (\$ 000's)
Ohio	N/A	Wastewater	Rate Case	550
	N/A	Water	Rate Case	889
	N/A	Water	Rate Case	801
	24-910-WW-SIC	Water	Surcharge	3,237
	24-911-ST-SIC	Wastewater	Surcharge	45
New Jersey	WR24010057	Water	Surcharge	2,468
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
	M-2025-3053185	Gas	Surcharge	638
Kentucky	2024-00332	Gas	Surcharge	486
	2025-00086	Gas	Surcharge	56
	2024-00346	Gas	Rate Case	7,700
Total				101,526

# Regulatory Activity Pending

As of November 4, 2025

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 *	44,763
Virginia	CASE NO. PUR-2025-00071	Water	Rate Case	7,927
Kentucky	2025-00333	Gas	Surcharge	2,884
Total				99,374

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

# State by State Comparison of Services

As of September 30, 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	\$4,746	459.4	68.0	527.4	\$4,295	701.2
IL	\$594	69.9	24.9	94.8		
OH	\$537	155.0	11.2	166.2		
TX	\$666	76.6	25.8	102.4		
NC	\$416	87.9	23.6	111.5		
NJ	\$316	56.4	7.0	63.4		
KY					\$179	39.0
VA	\$139	27.7	8.5	36.2		
IN	\$125	1.5	31.7	33.2		
TOTAL	\$7,539	934.4	200.7	1,135.1	\$4,474	740.3



# 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