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Third Quarter 2025
November 5th, 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 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

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



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

Delivering Top Quartile Total Shareholder Return

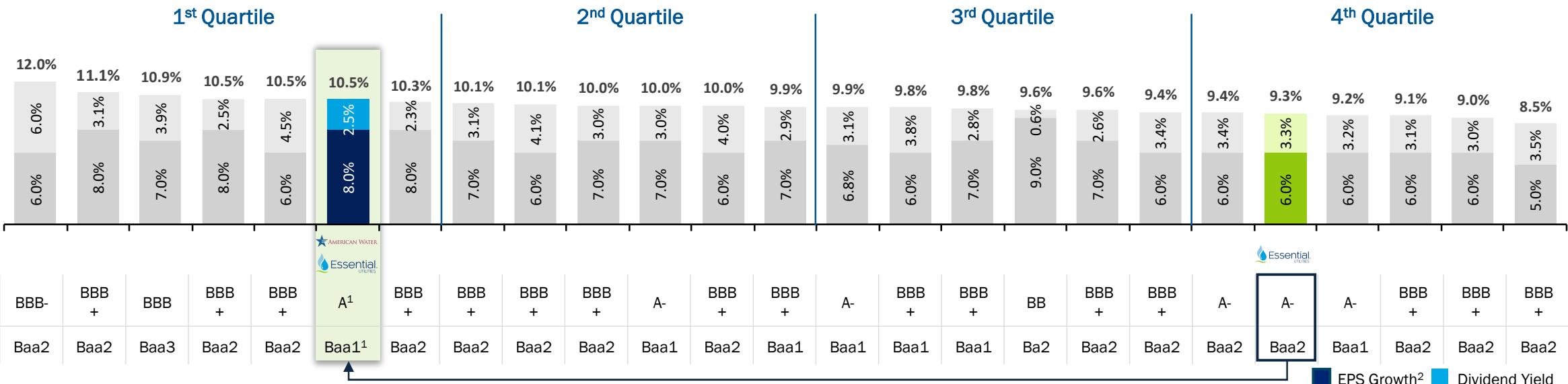
Pro Forma EPS and Dividend Outlook

- 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



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

Company Highlights

**Q3 2025 EPS of
\$0.33**

**2025 EPS and
Capex Guidance
Reaffirmed**

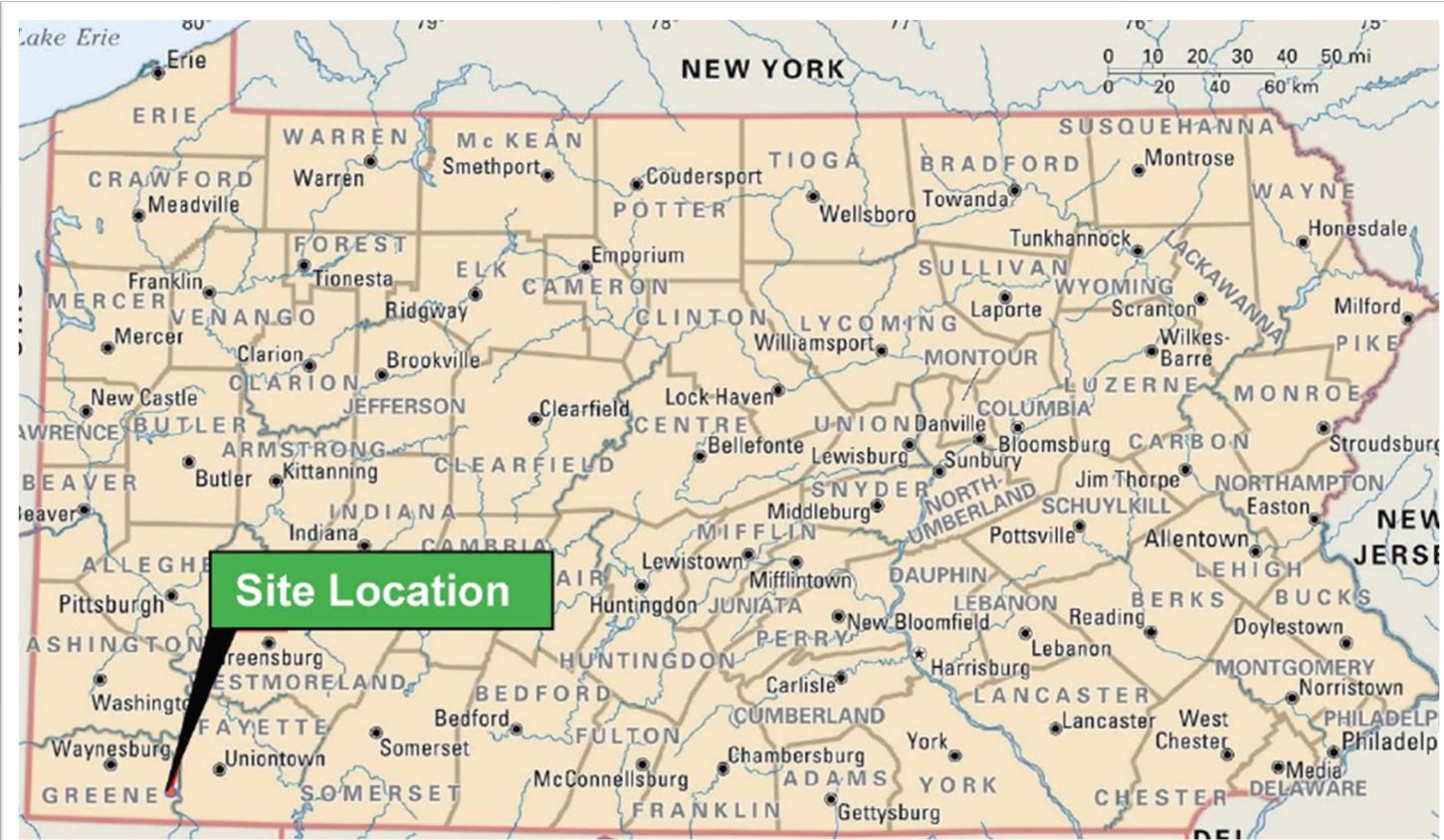
**Long-term
Targets
Reaffirmed**

**\$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

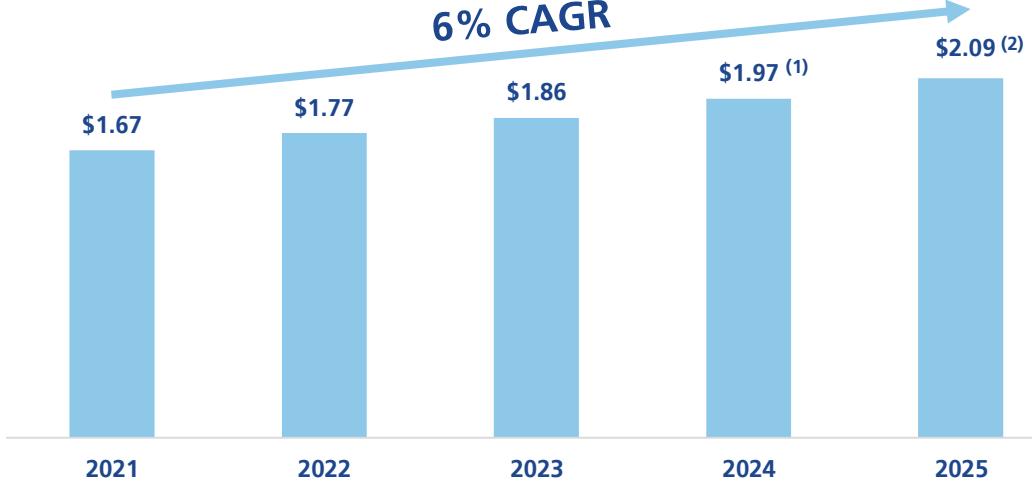
Essential's initial investment is \$26M

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



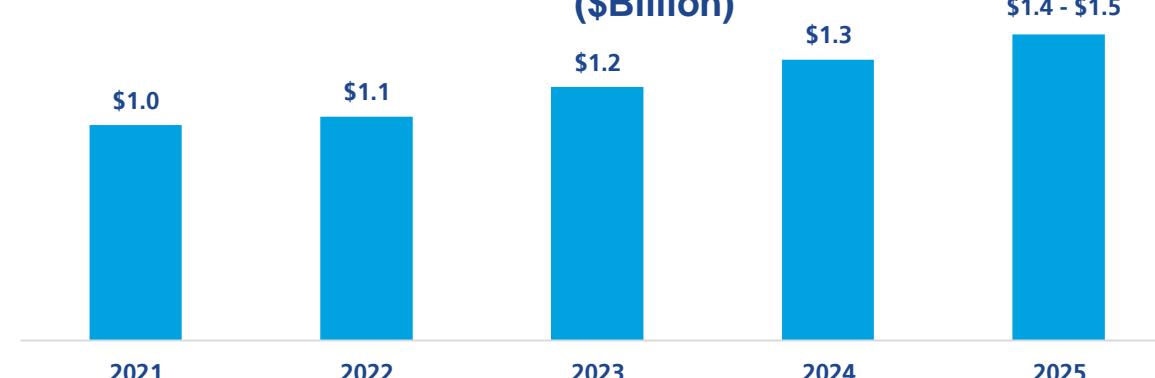
Dividends Paid per Share



80th Consecutive
Year of Dividend
Payments

Dividend
Payout
Ratio of
60-65%

Capital Expenditures (\$Billion)



2025-2029
Infrastructure
Investments of
~\$7.8B

(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

EVP,
Chief Financial Officer

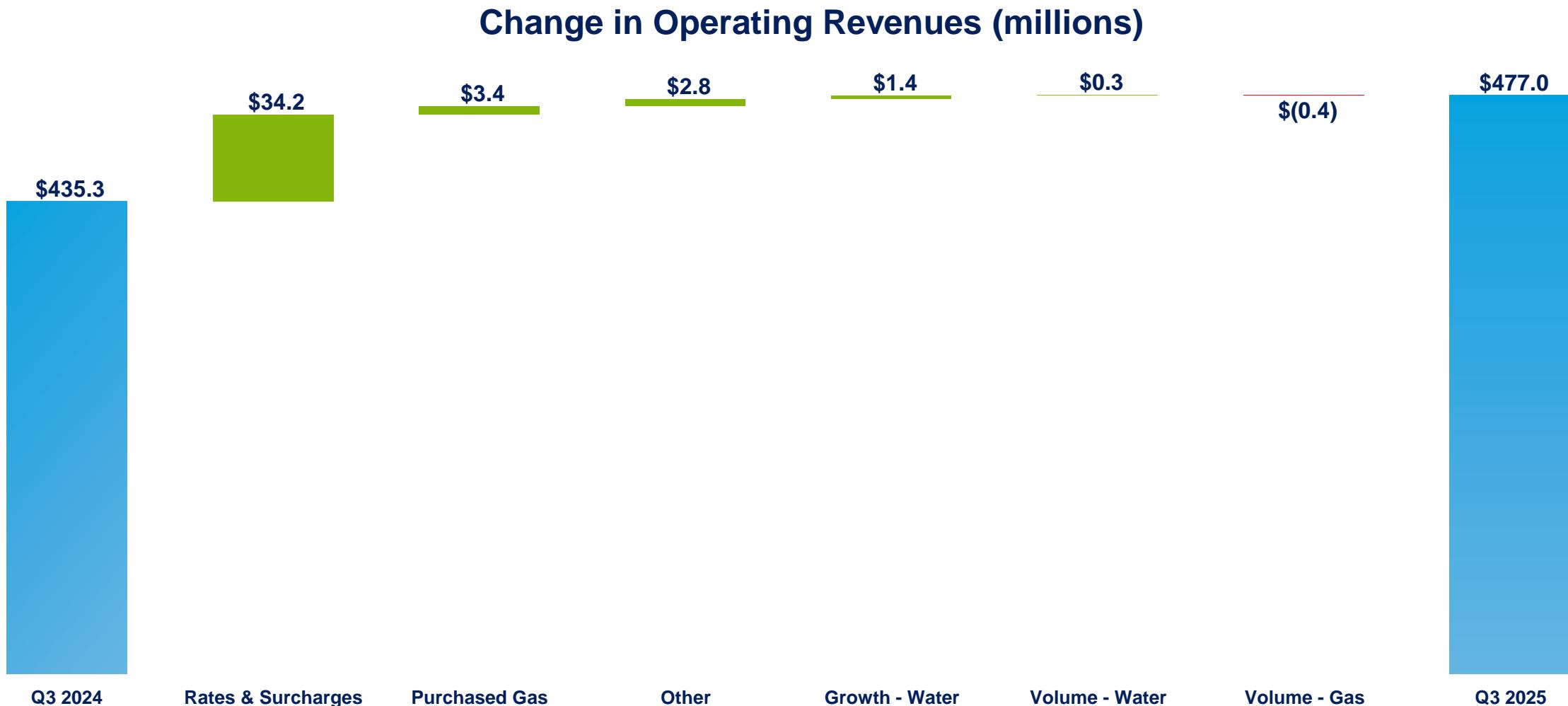
Q3 Financial Highlights

As of September 30th, 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

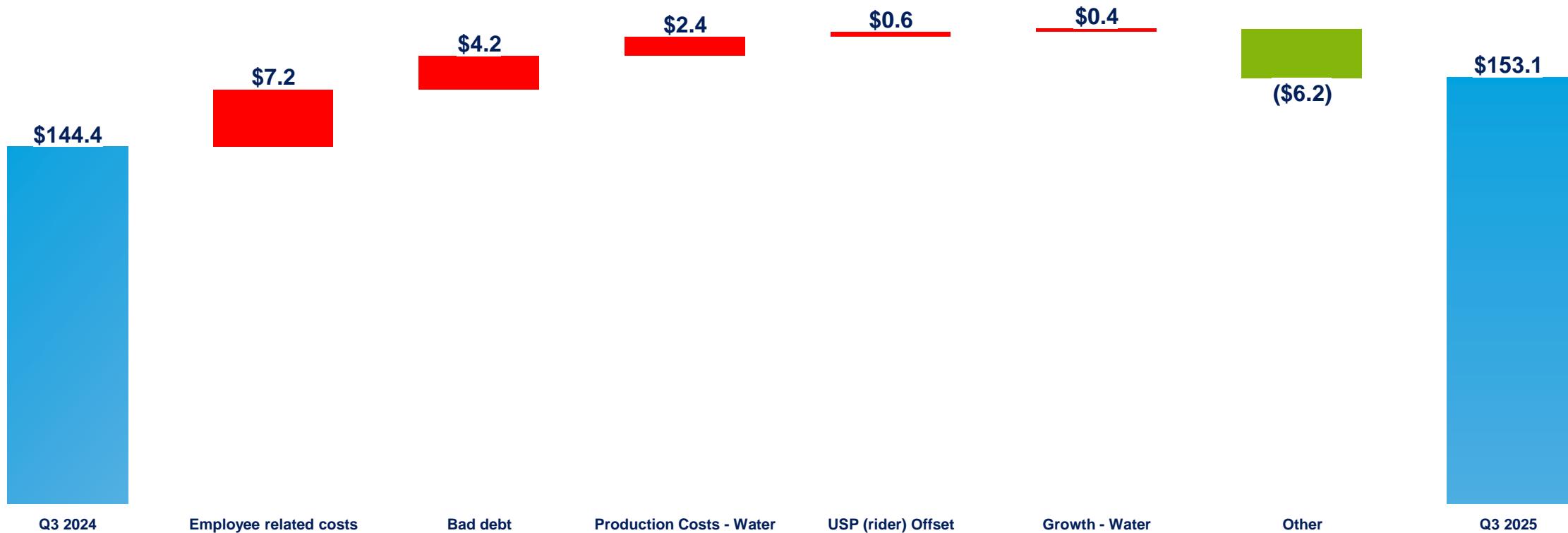


Figures may not total precisely due to rounding

Operations & Maintenance Expenses

Q3 2025 vs. Q3 2024

Change in Operations & Maintenance Expense (millions)

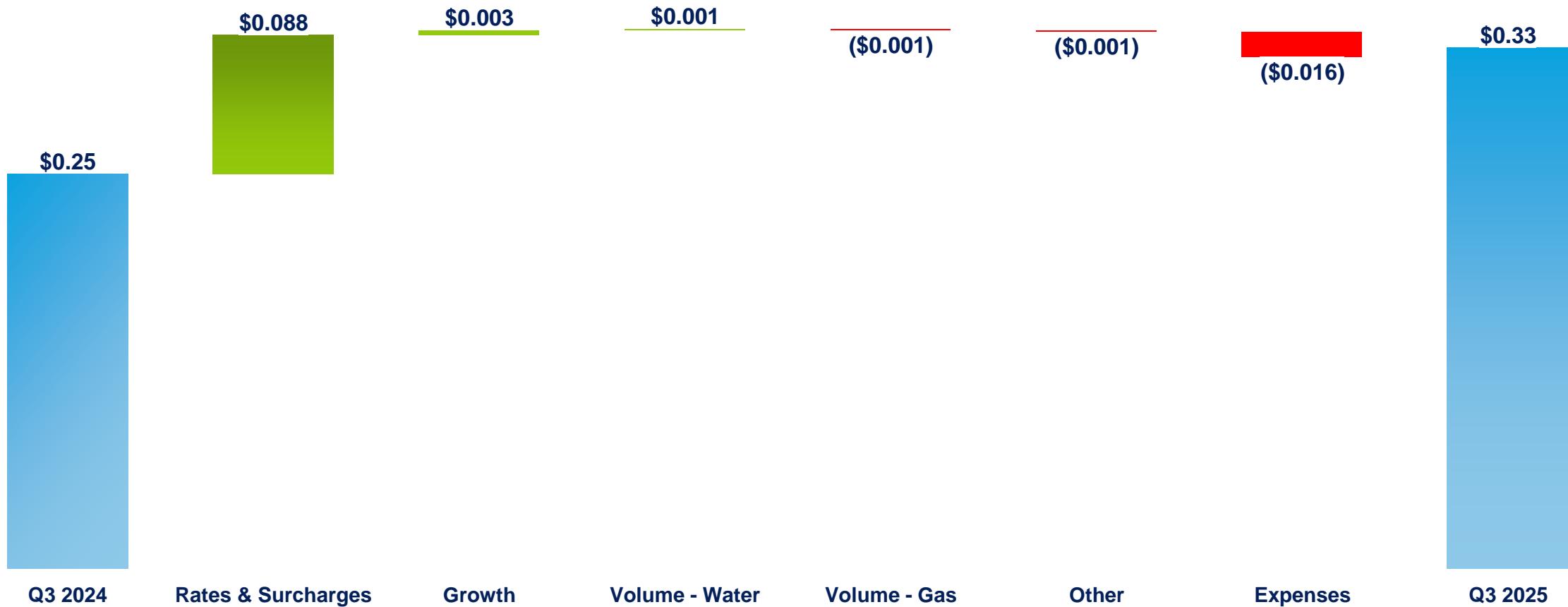


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Earnings per Common Share

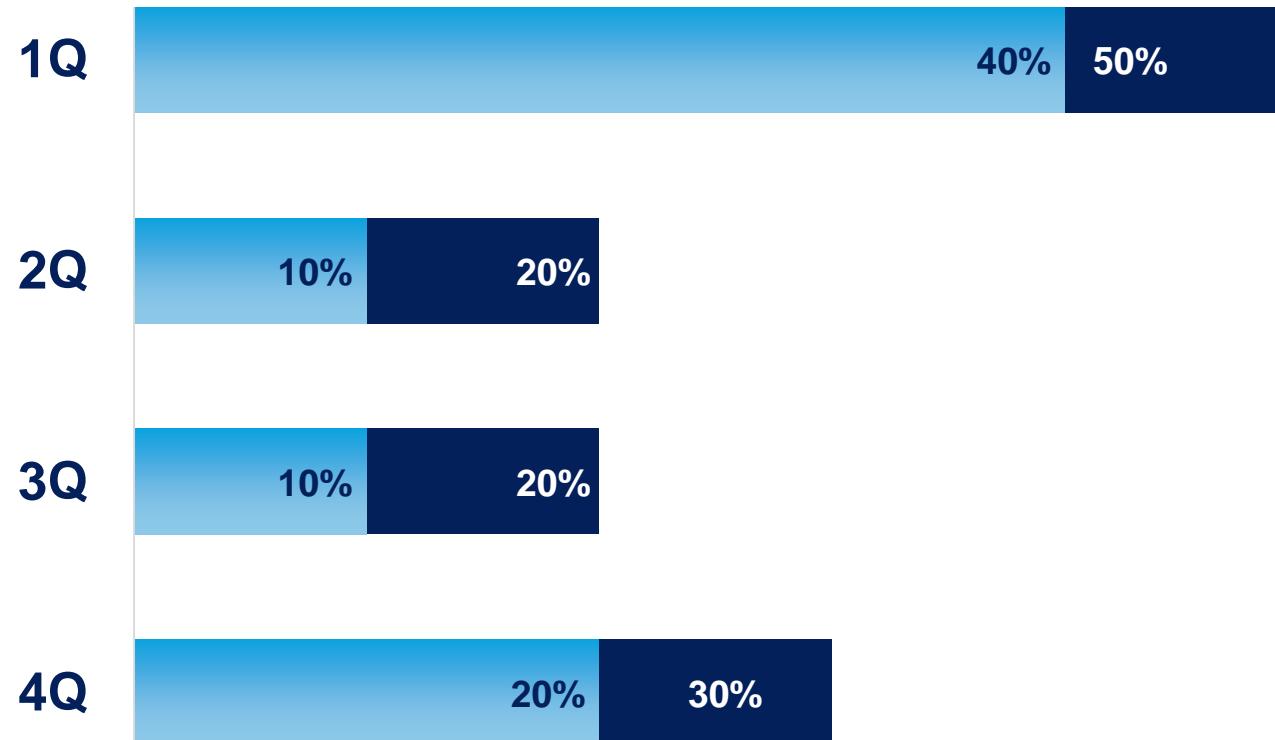
Q3 2025 vs. Q3 2024

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

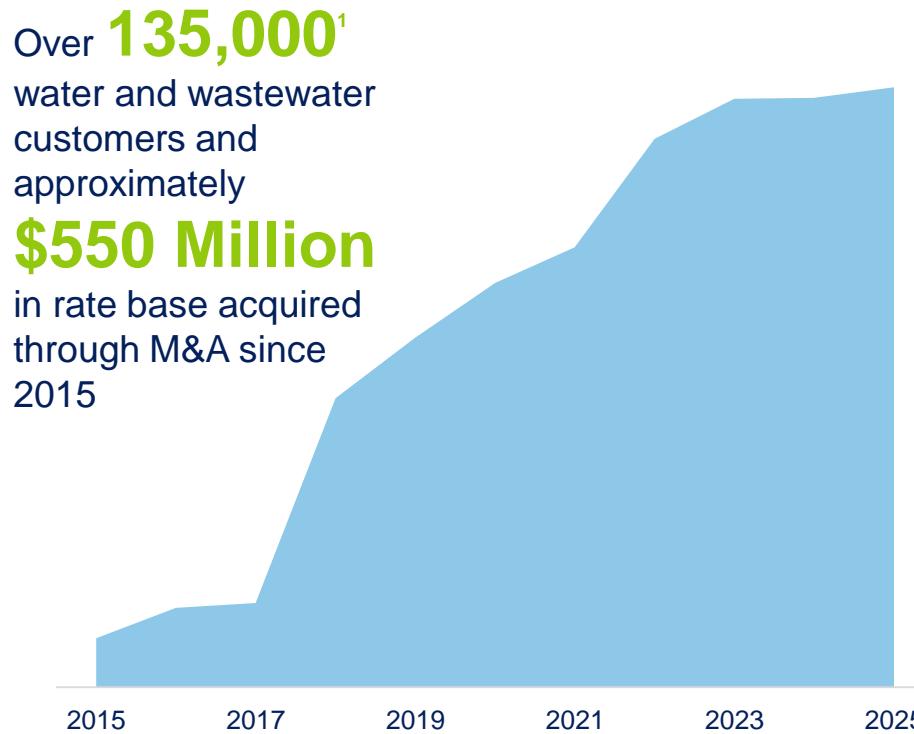


Christopher Franklin

Chairman and Chief
Executive Officer

Continued Water and Wastewater Acquisition Success

Cumulative Additions of Customers Through Acquisitions Since 2015



(1)

Essential's estimate of the number of equivalent dwelling units.

(2) Dril-Quip and Integra are privately owned utilities.

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

~\$301M
Total Purchase Price

Guidance Outlook¹

Corporate Growth Targets	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 ~\$350M in equity ²
Dividends & Capital Structure	<u>Dividend Payout Ratio</u> 60 - 65%	<u>Debt to Capital Ratio</u> 50 - 55%	<u>FFO to Net Debt Ratio</u> 12 - 14%			
Aqua Targets	Segment rate base CAGR of approximately 6% through 2029	Segment customer base annual growth rate of between 2 and 3% over the long-term				
Peoples Targets	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.

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

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Appendix

YTD Financial Highlights

As of September 30th, 2025

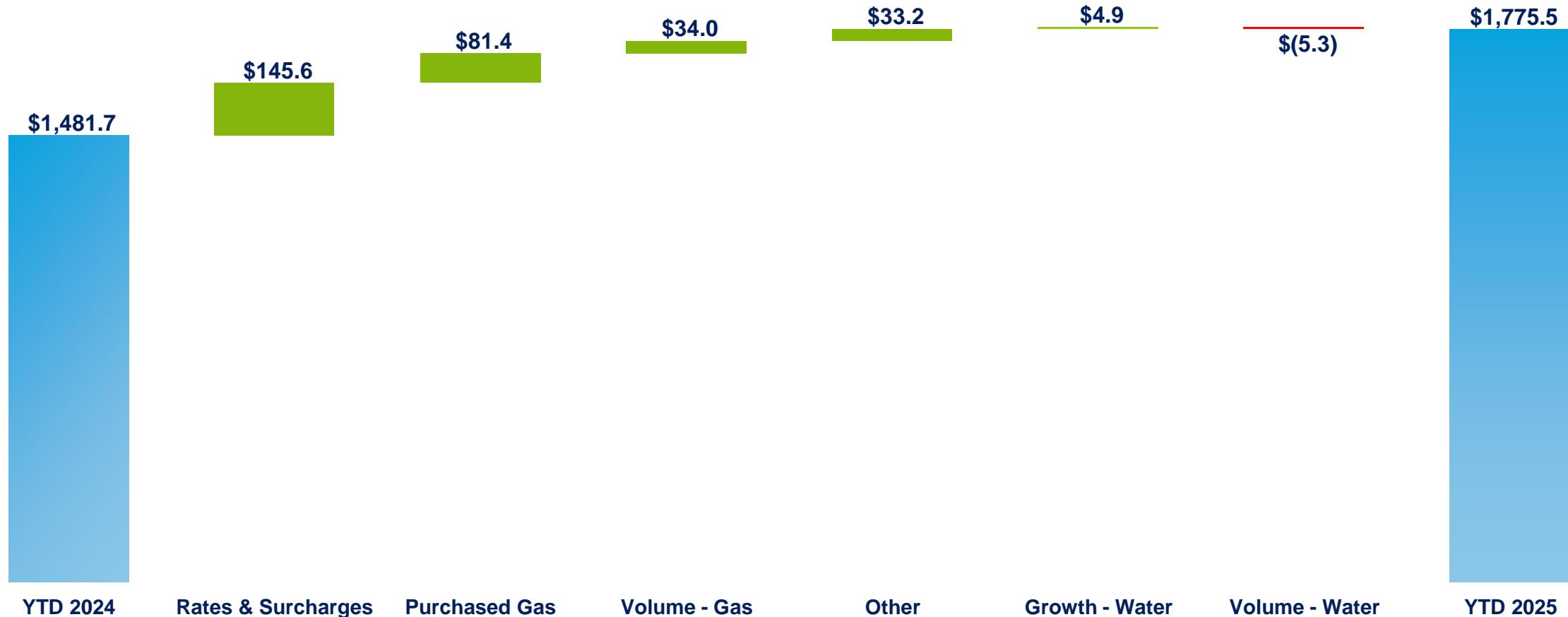
(\$ in millions, except per share data)	YTD 2024	YTD 2025	Change
Operating Revenues	\$1,481.7	\$1,775.5	19.8% Increase
Purchased Gas	\$182.5	\$263.9	44.6% Increase
 Operations and Maintenance Expense	 \$423.8	 \$439.4	 3.7% Increase
 Operating Income	 \$531.0	 \$693.9	 30.7% Increase
 Net Income	 \$410.6	 \$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 30th, 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 30th, 2025

Change in Operations & Maintenance Expense (millions)



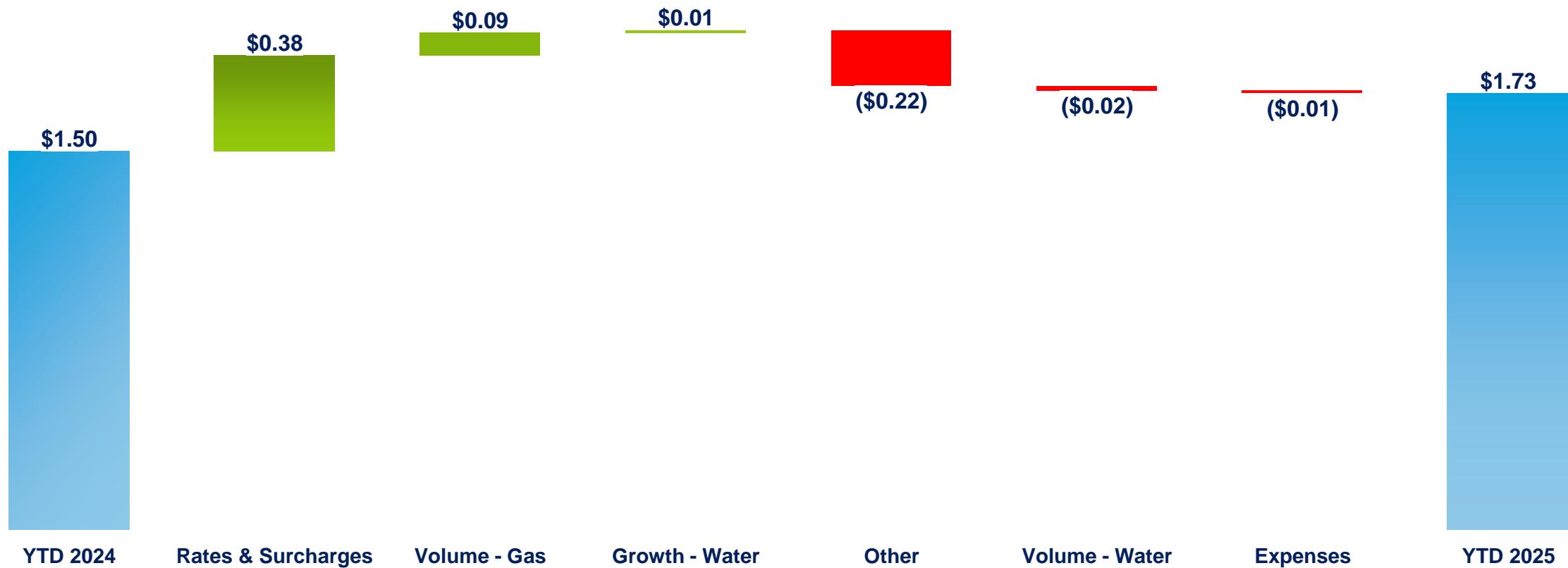
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Earnings per Common Share

YTD 2025 vs. YTD 2024

As of September 30th, 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
	W-218, Sub 573	Water	Rate Case - Year 3	2,242
North Carolina	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
	R-2024-3047822	Water	Rate Case	58,400
Pennsylvania	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

State	Water and Wastewater				Gas Distribution	
	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
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