



AMERICAN WATER STOCK DIRECT

4,214,534 Shares

A dividend reinvestment and direct stock purchase plan for American Water common stock

American Water Works Company, Inc. (“American Water”) is pleased to offer U.S. citizens the opportunity to participate in American Water Stock Direct, a dividend reinvestment and direct stock purchase plan.

American Water Stock Direct offers you the opportunity to:

- Buy shares of American Water common stock conveniently and economically, even if you are not currently an American Water shareholder.
- Reinvest your cash dividends in American Water common stock.
- Authorize automatic investments in American Water common stock from your checking or savings account.

See “How the Plan Works—What price will I pay for shares?” on page 5 of this prospectus for an explanation of how the price for shares purchased under American Water Stock Direct will be determined.

American Water’s common stock is listed on the New York Stock Exchange under the ticker symbol “AWK.” The mailing address of American Water’s principal executive offices is 1 Water Street, Camden, NJ 08102-1658, and the telephone number is (856) 955-4001.

Investing in American Water securities involves risk. See “Risk Factors” on page 2 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus is February 27, 2025

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You should rely only on the information contained in this prospectus or incorporated by reference with respect to the offering made by this prospectus. We have not authorized anyone else to provide you with different or additional information, and, if provided, any such information must not be relied upon as having been authorized by us. You should not assume that the information in this prospectus is accurate as of any date other than the date of this prospectus. This prospectus is not an offer to sell, or a solicitation of an offer to buy, by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

PLAN SUMMARY

This prospectus (this “Prospectus”) describes the terms of American Water Stock Direct, which is referred to in this Prospectus as the “Plan.” Please read this Prospectus carefully before enrolling in the Plan. Unless the context otherwise indicates, references to “us,” “our” and “American Water” mean American Water Works Company, Inc., without its subsidiaries.

Enrollment. To enroll in the Plan, you must be a registered owner of American Water common stock, or you must become a registered owner by buying a minimum of \$100.00 of American Water common stock through the Plan when you enroll.

Your Plan Account. When you enroll in the Plan, an account will be opened in your name. The shares of American Water common stock you enroll into the Plan through purchase or transfer will be registered in the name of Equiniti Trust Company, LLC, American Water’s transfer agent and the Plan administrator (“Equiniti”), or its nominee, as custodian, and will be credited to your Plan account.

Dividend Reinvestment. You may choose to purchase shares by reinvesting all or a portion (at least 10 percent) of the dividends paid on shares held in your Plan account, or to receive all dividends in cash. Shares purchased through dividend reinvestment will be added to your Plan account. There is no transaction fee to Plan participants for dividend reinvestment.

Additional Purchases. You may make additional purchases of American Water common stock by mail through the Plan, as often as weekly. You also may make automatic monthly purchases of American Water common stock by means of electronic funds transfer from your bank checking or savings account. In addition, you may make optional cash purchases online as a one-time event or recurring event using electronic funds transfer from a bank account. Regardless of the method of purchase you use, each purchase you make must be for a minimum of \$25.00, and all purchases may not exceed \$200,000.00 in any calendar year. There is no transaction fee to Plan participants for additional purchases.

Selling Shares in Your Account. You may sell some or all of the shares held in your account. Sales may be executed as often as daily but will be executed at least weekly. A transaction fee of \$18.00 plus \$0.15 per share sold will be deducted from the sale proceeds, in addition to any applicable transfer taxes.

Contact Information. Equiniti acts as agent for participants in the Plan and administers the Plan for us. You may contact Equiniti in the following ways:

Telephone: 1-888-556-0423

Mail: Equiniti Trust Company, LLC
P.O. Box 10027
Newark, NJ 07101
Attention: Plan Administration

Internet: www.equiniti.com/us

Forms. Your Plan statement will contain a form that may be used for future Plan transactions. Contact Equiniti if you require any additional forms.

Transaction Fees. You are responsible for the transaction fees described in this Prospectus. All fees are subject to change. Plan participants do not pay a fee for dividend reinvestment or additional purchases of American Water common stock. Fees that are payable by Plan participants are set forth below. Except as described in this Prospectus, American Water pays the costs of administering the Plan.

Transaction Fee Summary:

Dividend Reinvestment.....	No charge
Additional Purchases	No charge
Sale of Stock.....	\$18.00 plus \$0.15 per share
Withdrawal/Termination from Plan	\$18.00
Returned Check/Insufficient Funds	\$35.00 per check/electronic funds transfer rejection (If a check is returned for insufficient funds or if there are insufficient funds in your bank account for an electronic funds transfer, Equiniti reserves the right to sell all or a portion of your Plan shares to cover the returned check/insufficient funds fee. See Question 5.)
Duplicate Statement.....	No fee for current year, \$25.00 for previous years

Because this is a summary of the Plan, it may not contain all the information that may be important to you. You should read this entire Prospectus carefully.

RISK FACTORS

Investing in American Water common stock involves risk. You should carefully review the risk factors set forth in American Water’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024, which is incorporated by reference in this Prospectus, as well as in any subsequent filings with the Securities and Exchange Commission (“SEC”). Before making an investment decision, you should carefully consider these risks as well as other information American Water includes or incorporates by reference in this Prospectus, including filings made with the SEC after the date of this Prospectus. These risks could materially affect American Water’s business, results of operations or financial condition and could cause the value of American Water’s common stock to decline. You could lose all or part of your investment.

HOW THE PLAN WORKS

1. Who is eligible to participate in the Plan?

All U.S. citizens are eligible to participate in the Plan, whether or not they are currently shareholders of American Water. If you are not a U.S. citizen, you may participate in the Plan, provided there are not any laws or government regulations that would prohibit you from participating or affect the terms of the Plan. American Water and Equiniti reserve the right to deny or terminate participation of any person if American Water or Equiniti deem it advisable under any laws or regulations. American Water and Equiniti each also reserve the right, in its sole discretion, to deny, suspend or terminate participation by a Plan participant who is using the Plan for purposes inconsistent with the intended terms or limitations of, or purpose of the Plan, or the plan of distribution as set forth herein.

2. How do I enroll in the Plan?

To enroll in the Plan, you must be a registered owner of American Water common stock, or you may become a registered owner by buying a minimum of \$100.00 in common stock through the Plan and enrolling that stock in the Plan at the same time. Both methods of enrollment are described below.

- If you are a registered owner (which means that you already own one or more shares of American Water common stock in your name), but do not currently participate in the Plan, you must complete an enrollment form. Mail the form to Equiniti at the address designated for transaction processing provided in Question 3. You can request an enrollment form by telephoning Equiniti at 1-888-556-0423. You also may enroll online at us.astfinancial.com/InvestOnline/Invest/AllPlan. You will need to create and enter a unique user identification and password if you wish to view your account online. If you own American Water common stock through another name (for example, in a broker, bank, trust or other nominee name), you can arrange with the nominee to transfer some or all of your shares of American Water common stock into your name, and then enroll the shares using these

instructions. If you do not wish to transfer shares held in nominee name, you can buy additional shares in your name through the Plan when you enroll, as described immediately below.

- You may become a registered owner by enrolling in and purchasing American Water common stock through the Plan. The minimum initial purchase is \$100.00. Complete the enrollment form and mail the form to Equiniti, together with a check payable to “Equiniti Trust Company, LLC” at the address designated for transaction processing provided in Question 3. You can request an enrollment form by telephoning Equiniti at 1-888-556-0423. All payments must be in U.S. dollars and drawn on a U.S. bank. If you are not in the United States, contact your bank to verify that it can provide you with a check that clears through a U.S. bank and can print the dollar amount in U.S. funds. Due to the longer clearance period, neither American Water nor Equiniti are able to accept checks clearing through non-U.S. banks. Please do not send cash.

3. Who is the Plan Administrator?

Equiniti, American Water’s transfer agent, is the administrator for the Plan (the “Plan Administrator”). Equiniti keeps records, sends quarterly statements of account and transaction statements to you and performs other administrative duties relating to the Plan. Shares of American Water common stock that you purchase under the Plan or transfer into the Plan will be registered in the name of Equiniti or its nominee, as custodian, and will be credited to your Equiniti account.

You may contact Equiniti by:

Telephone: 1-888-556-0423

Mail: Equiniti Trust Company, LLC
P.O. Box 10027
Newark, NJ 07101
Attention: Plan Administration

Internet: www.equiniti.com/us

Customer service representatives are available between the hours of 8:00 a.m. and 8:00 p.m., Eastern Time, Monday through Friday.

4. What are my dividend reinvestment options?

When you enroll, you will indicate on the enrollment form whether you want the dividends on your shares reinvested. If you choose to reinvest the dividends on your shares, you must elect to reinvest a minimum of 10% of the dividends (if any) paid on shares in your account. If you do not indicate a preference, 100% of all dividends on all shares held in your account on the dividend record date will be reinvested in additional shares of American Water common stock on the dividend payment date (less any applicable withholding taxes).

If you receive cash dividends on any shares in your account, you will receive payment by check unless you elect to have cash dividends deposited directly into your bank account. To authorize direct deposit, complete the appropriate sections of the Dividend Direct Deposit authorization form, which can be obtained from Equiniti. American Water encourages you to choose the direct deposit method of payment if you choose to receive cash dividends. The advantages of direct deposit over payment by check include more timely receipt of dividend proceeds and a reduced environmental impact due to avoidance of printed materials and transportation-related environmental impacts during delivery. The direct deposit method is also more cost efficient for American Water and aligns with our goals around improving our operating cost efficiency.

You may change your dividend reinvestment election at any time by completing a new enrollment form and delivering the form to Equiniti. Requests for changes must be received at least three business days prior to the next dividend record date to be effective for that dividend.

You should note that under U.S. federal income tax law, dividends are taxable to you even if your dividends are reinvested through the Plan. Equiniti will mail to you a Form 1099-DIV reporting your dividends (including reinvested

dividends) shortly after the close of each calendar year and also will report that information to the Internal Revenue Service (the “IRS”).

5. How do I make an additional purchase?

After you have opened your Plan account, you may buy additional shares (including fractional shares) by check as often as weekly. Use the form attached to your Plan statement or transaction confirmation, or call Equiniti for additional forms. You also may arrange for automatic monthly purchases, or one-time purchases, using electronic funds transfer from your bank checking or savings account. Each method is described below. Regardless of the method used, each purchase you make must be for a minimum of \$25.00, and all purchases may not exceed \$200,000.00 in any calendar year. If you send a check or have authorized an electronic funds transfer in an amount that would cause you to exceed the \$200,000.00 calendar year limit, your funds will be returned and no investment will be made.

- If you buy additional shares by mail, you may pay by check payable to “Equiniti Trust Company, LLC” in U.S. dollars, drawn on a U.S. bank. No interest will be earned on funds held by Equiniti prior to their investment. Do not send cash. Money orders, third-party checks and foreign checks will not be accepted and will be returned to the sender. Send the completed form and payment to Equiniti at the address designated in Question 3 for transaction processing. The check must be received no later than 12:00 noon, Eastern Time, one business day before the investment date. Checks received after this date will be used to purchase shares on the succeeding investment date. See Question 7 for information about the investment date.
- Alternatively, you may elect to have funds automatically withdrawn every month by electronic funds transfer from your checking or savings account at a qualified financial institution. Automatic electronic funds transfer enrollment forms are available by calling Equiniti at 1-888-556-0423. You also may make optional cash payments online at equiniti.com/us as a one-time event using electronic funds transfer from a bank account. If you authorize automatic withdrawals, funds will be withdrawn from your bank account on or about the 20th of each month (or the next business day if the 20th is not a business day), and will be invested in American Water common stock on the next available investment date. You may terminate the automatic monthly electronic funds transfer by providing written instructions to Equiniti. You may change the amount of money to be withdrawn by submitting a new automatic electronic funds transfer enrollment form to Equiniti.

Once funds have been deposited with Equiniti, you may not request a cash refund or otherwise change your order.

In the event that any check or other deposit is returned unpaid for any reason or your designated bank fails to make an electronic funds transfer because your account does not have sufficient funds, Equiniti will consider the request for the applicable purchase null and void, will immediately remove from your account any shares already purchased in anticipation of receiving those funds and will sell those shares. You also will be charged a \$35.00 administrative fee for any check or other deposit that is returned unpaid by your bank or for any electronic funds transfer that is rejected by your bank. If the net proceeds from the sale of the shares removed from your account are insufficient to satisfy the balance of the uncollected amounts, including the administrative fee, Equiniti may sell additional shares from your account as necessary to satisfy the uncollected balance. This fee will be collected by Equiniti from proceeds of the sale of the number of shares in your account necessary to satisfy the fee.

6. How are shares purchased for my account?

Equiniti, as agent for Plan participants, will buy the shares for your Plan account. Shares of American Water common stock purchased under the Plan will be either newly issued shares or treasury shares held by American Water or, at our option, shares that the independent broker-dealer selected by Equiniti purchases in the open market or in privately negotiated transactions. American Water will not change its determination regarding the shares (that is, from issuing new shares or using treasury shares to purchasing shares in the open market) more than once in any calendar quarter. American Water will not exercise its right to change the source of purchases of shares without a determination by our Board of Directors that there is a valid reason for the change.

Purchases generally will be made for the Plan and credited to Plan accounts once each week. If demand requires, purchases may be made over several days for the weekly crediting to Plan accounts. Equiniti may use a broker affiliated with Equiniti to execute purchases and sales for Plan participants. See Question 10 for information about selling shares held directly through the Plan.

7. When will shares be purchased?

The Plan's investment date typically will be once each week on Fridays. However, during the week in which a dividend is paid, the investment date will be the date on which the dividend is paid or the next business day if the payable date is not a business day. If purchases are to be made in the open market, Equiniti may effect purchases as frequently as daily, depending on purchase volumes.

Funds for automatic monthly investments will be withdrawn from your bank account on or about the 20th day of every month, and will be invested in American Water common stock on the next investment date. To the extent you authorize dividend reinvestment, your dividends will be reinvested on the next investment date, which is the dividend payment date or, if the dividend payment date is not a business day, on the first business day following the dividend payment date.

No interest will be paid on any funds held by Equiniti between investment dates. Once funds have been deposited with Equiniti, you may not request a cash refund or otherwise change your order.

8. What price will I pay for shares?

If Equiniti buys your shares from American Water, the share price will be equal to the average of the high and low prices per share of American Water common stock, as reported on the New York Stock Exchange Consolidated Tape on the date of purchase.

If Equiniti buys your shares in the public markets or in privately negotiated transactions, the share price will be the average price of all shares purchased for the weekly crediting to Plan accounts.

These share prices apply whether Equiniti is purchasing shares for your initial enrollment, purchasing additional shares for your account, or reinvesting dividends.

When you send in a payment by check or electronic funds transfer to buy American Water common stock, Equiniti will use your funds to buy the number of shares (including fractional shares to three decimal places) that can be purchased with your funds at the price described above. You will not be charged any transaction fees for the purchase.

9. How do I transfer shares that I hold to someone else?

To transfer ownership of some or all of your shares held through the Plan you must send to Equiniti written transfer instructions and your signature must be "Medallion Guaranteed" by a qualified financial institution. Most banks and brokers participate in a Medallion Guarantee program. The Medallion Guarantee program is intended to ensure that the individual signing is in fact the owner of the participant's account. A notary is not sufficient. For information regarding the transfer process, call Equiniti at 1-888-556-0423. However, your ability to transfer shares in this manner may be restricted or limited pursuant to the terms of American Water's Insider Trading and Prohibited Transactions Policy and the Personal Securities Trading and Preclearance Practice, each as summarized below.

10. May I sell shares I hold through the Plan?

Yes. Subject to compliance with applicable securities laws and the American Water Insider Trading and Prohibited Transactions Policy and the Personal Securities Trading and Preclearance Practice, you may authorize the sale of shares held in your Plan account by completing and submitting the form attached to your Plan statement or transaction confirmation. Equiniti will cause your shares to be sold as often as daily but at least once each week. Your shares may be aggregated with those of other Plan participants who have requested sales of shares in their Plan accounts. In that case, you will receive proceeds based on the average price of all shares sold. Equiniti will send you a check for the proceeds of the sale of your shares, less a transaction fee of \$18.00 plus \$0.15 per share sold and any applicable withholding and transfer taxes. You will not receive interest on sales proceeds held pending disbursement. Checks are usually mailed two business days after the sale. Instructions to Equiniti to sell shares are binding and may not be rescinded.

Equiniti will mail to you a check for the net proceeds of the sale, usually on the second business day following the date your shares are sold. Sale information also will be reported to the IRS. A Form 1099-B reporting the sale of shares for income tax purposes will be provided to you after year-end.

You may sell your shares through a broker of your choice, or privately. In either case, you would need to request conversion of your full Plan shares into direct registration. If you wish to have your shares registered in the name of a nominee, follow the procedures described in Question 9. Upon receipt of the direct registration confirmation, proceed as you would to sell any other stock that is registered in your name or the name of your nominee.

Please note that if your Plan account holds less than one full share, American Water may direct Equiniti to close the account, liquidate the fractional share and send you a check representing the market value of the fractional share that was in the account, less the \$18.00 withdrawal/termination fee.

Persons who are executive officers or directors of American Water may sell or direct the sale of shares only in compliance with all applicable federal and state securities law requirements, including, without limitation, Section 5 of the Securities Act of 1933, as amended, and Section 16 of the Securities Exchange Act of 1934, as amended. Also, any sales made or directed by any current employee, officer or director of American Water or any of its subsidiaries must be made or directed in compliance with the American Water Insider Trading and Prohibited Transactions Policy and the Personal Securities Trading and Preclearance Practice, each as may be amended, restated or supplemented from time to time, and any successor or supplemental policy or practice thereto. American Water reserves the right, in its sole discretion and in accordance with the terms of any such policy or practice, to restrict, limit or prohibit the purchase or sale of securities through any Plan account by or for the account of any current employee, officer or director of American Water or any subsidiary.

11. How may I close my Plan account?

You may close your account at any time by checking the appropriate box on the tear off form attached to a Plan statement and mailing it to Equiniti at the address designated for transaction processing set forth in Question 3. Your account will be closed within five business days after Equiniti receives your instructions. If your request is received less than three days prior to a dividend payment date, the dividend will be reinvested to the extent previously authorized, and the reinvested shares will be added to the shares to be withdrawn from your Plan account. There is an \$18.00 withdrawal/termination fee for closing a Plan account.

When your account is closed, Equiniti will convert all of the full shares in your Plan account to direct registration in the exact name(s) shown on the account. If you wish a different name to be registered, please follow the procedures described in Question 9. Equiniti will liquidate any fractional share in your account and send you a check for the proceeds, less applicable fees. After your account is closed, dividends on any shares of American Water common stock, other than dividends payable in stock or other non-cash assets, will be paid in cash and sent to you at the address you provide, or automatically deposited in your bank account in accordance with your instructions.

Alternatively, you may direct Equiniti to sell any or all of the shares in your account. If Equiniti sells your shares, a withdrawal/termination fee of \$18.00 plus \$0.15 per share, together with any applicable transfer tax, will be deducted from the proceeds, and Equiniti will mail you a check for the net proceeds. Sale information also will be reported to the IRS. A Form 1099-B reporting the sale of shares for income tax purposes will be provided after year-end. You will not receive interest on sales proceeds held pending disbursement.

12. How may I keep track of my account's activity?

Equiniti will send to you statements of your year-to-date account activity, dividend reinvestment, additional investment or sale of shares. The statements will show, to the extent applicable, the amount invested, the purchase or sale price of shares subject to Plan transactions, the number of shares purchased or sold and Plan fees, if any, as well as any activity associated with share deposits or withdrawals. Please notify Equiniti promptly in writing if your address changes.

Please retain all statements for your records. The statements contain important tax and other information. You will be charged a fee of \$25.00 if you require a duplicate statement for a prior year. There are no fees for the current year's statement.

13. What happens if American Water issues a stock dividend, declares a stock split or conducts a rights offering?

Your Plan account will be adjusted to reflect any additional shares of American Water common stock distributed as a stock dividend, stock split or other distribution, based on shares of American Water held in your account. In the event of a stock subscription or other rights offering, you will be entitled to receive rights based on the total number of whole shares credited to

your account. Transaction processing may be curtailed or suspended until the completion of any stock dividend, stock split or rights offering.

14. May I vote my Plan shares at shareholders' meetings?

Yes. You will receive proxy materials, reports to shareholders, and any other materials sent to American Water shareholders. The proxy card you receive will represent both the full and fractional shares in your Plan account. American Water may choose to send to you a Notice of Internet Availability of Proxy Materials instead of a proxy card, proxy statement and annual report. If used, this notice will provide instructions for viewing the annual report and proxy materials online, and for voting your shares. Even if American Water sends you a Notice of Internet Availability of Proxy Materials, you will be provided an opportunity to request printed or e-mail copies of the annual report and proxy materials, which will be provided (without exhibits) without charge.

15. May the Plan be amended or terminated?

Yes. American Water and Equiniti may suspend, modify or terminate the Plan at any time. Neither American Water nor Equiniti will be liable for any such action. All Plan participants will receive notice of any suspension, modification or termination. If the Plan is terminated, whole shares held in your account will be converted into direct registration and a cash payment will be made for any fractional share.

16. What are the responsibilities of American Water and Equiniti under the Plan?

Neither American Water nor Equiniti will be liable for any act that was taken in good faith, or for actions required by law, or for good faith omissions to act. This includes any claims for liability relating to the prices at which shares are purchased or sold for your account, the dates of purchases or sales, or changes in the market value of American Water common stock.

You should recognize that neither American Water nor Equiniti can assure you of a profit or protect you against a loss on shares purchased through the Plan. Moreover, the Board of Directors of American Water determines dividend record and payment dates, and dividend amounts. The Board of Directors may increase or decrease dividends, or may not declare a dividend.

17. What are the tax consequences of participating in the Plan?

The discussion below is only a summary of some of the important U.S. federal income tax consequences of participation in the Plan for U.S. Participants (as defined below). This summary is not a complete description of all of the tax consequences of your participation in the Plan and is subject to change based on changes in tax laws and regulations. Participants in the Plan are advised to consult their own tax advisors with respect to the tax consequences of participation in the Plan (including the effect of federal, state, local and foreign tax laws and U.S. tax withholding laws).

For U.S. federal income tax purposes, a "U.S. Participant" is (1) an individual who is a citizen or resident of the U.S.; (2) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or of a political subdivision thereof (including the District of Columbia); (3) an estate whose income is subject to U.S. federal income taxation regardless of its source; or (4) any trust if (a) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) it has a valid election in place to be treated as a U.S. person.

The U.S. federal income tax consequences of participating in the Plan are as follows:

- Cash dividends reinvested under the Plan are taxable to a U.S. Participant as if they had been paid to a U.S. Participant in cash on the applicable dividend payment date and may be eligible for reduced rates of income tax as qualified dividend income if specified conditions are satisfied. Such dividends will be taxable for U.S. federal income tax purposes as dividend income to the extent of American Water's current or accumulated earnings and profits, with any excess over our earnings and profits being treated first as a tax-free return of capital to the extent of the tax basis of the U.S. Participant's shares of American Water common stock, and then as capital gain from the sale or exchange of American Water common stock. Subject to the discussion below regarding the "average basis method," the tax basis of shares purchased with reinvested dividends or additional cash purchases generally is the amount a U.S. Participant paid to acquire the shares, and the holding period for shares purchased will begin

on the day after the shares are purchased (whether through optional cash purchases or dividend reinvestments). In addition, the IRS may require that brokerage fees incurred in the purchase of shares and paid by us in connection with open market purchases on a U.S. Participant's behalf be treated as dividend income to a U.S. Participant, in which case such amounts also can be included in the tax basis of the purchased shares.

- A U.S. Participant does not realize taxable income from the transfer of shares to its Plan account or from the withdrawal of whole shares from its Plan account. A U.S. Participant will, however, generally realize gain or loss from the receipt of cash instead of any fractional share. A U.S. Participant also will realize gain or loss when its Plan shares are sold. The amount of the gain or loss generally will be the difference between the amount received for the shares and the tax basis of the shares. Any gain or loss so recognized by an individual shareholder who is not a dealer in securities will generally be treated as a long-term capital gain or loss if the shares have been held for more than 12 months and otherwise will be treated as a short-term capital gain or loss.
- The Plan Administrator reports dividend income to participants and the IRS on Form 1099-DIV. The Plan Administrator reports the gross proceeds from the sale of Plan shares and tax basis information to the selling U.S. Participants and the IRS on Form 1099-B. When shares are sold, your cost or other basis in such shares and whether the gain or loss with respect to such sale is long-term or short-term will be reported to you and the IRS. The Plan assumes that each U.S. Participant will use the first-in, first-out (FIFO) method when determining the tax basis of shares of any shares sold. U.S. Participants may designate their preference for a different method of determining the tax basis of shares at any time by identifying this preference in writing to Equiniti. U.S. Participants may designate in writing their preference for a "specific identification" cost basis or for the "average basis method."
- Certain U.S. Participants having adjusted gross income more than \$200,000 (\$250,000 in the case of married, filing jointly) that are individuals, trusts or estates will be subject to an additional 3.8% Medicare tax on unearned income, which generally will include dividends received and gain recognized with respect to American Water common stock. U.S. Participants are urged to consult their own tax advisors regarding the implications of this additional Medicare tax to their particular circumstances.
- A U.S. Participant's dividends and sale proceeds are subject to federal backup withholding if (i) the U.S. Participant fails to provide a taxpayer identification number to the Plan Administrator (such as an IRS Form W-9), (ii) the IRS notifies us that the U.S. Participant is subject to tax withholding, or (iii) the U.S. Participant fails to certify, under penalties of perjury, that it is not subject to backup withholding if such certification is required. Dividends and sale proceeds payable to Plan participants residing in certain foreign countries also may be subject to federal withholding. In any case in which federal income taxes are required to be withheld, the Plan Administrator reinvests or pays to you, as the case may be, an amount equal to the dividends or sale proceeds less the amount of tax withheld. For IRS reporting purposes, the amount of any dividend withheld is included in the dividend income.
- Any non-U.S. Participants may be subject to U.S. withholding and estate tax and are encouraged to consult their tax advisors. Additionally, dividends payable to foreign shareholders are subject to special reporting rules referred to as "FATCA." If certain disclosure and reporting requirements are not complied with, such dividends are subject to a withholding tax rate of 30%, notwithstanding any treaty that may provide for a lower rate.

PLAN OF DISTRIBUTION

American Water is offering up to 4,214,534 shares of American Water common stock pursuant to the Plan with this Prospectus and may issue up to 5,000,000 shares of common stock in the aggregate under the Plan.

The terms of the Plan provide for the purchase of newly issued shares or treasury shares, directly from American Water, or, at its option, by an independent broker-dealer on the open market or in privately negotiated transactions. As of the date of this Prospectus, American Water plans to use newly issued or treasury shares for purchase under the Plan. American Water may not change this determination regarding the source of purchases of shares under the Plan more than once in any calendar quarter.

There will be no brokerage commissions or related service charges for newly issued or treasury shares of American Water common stock purchased directly from American Water. Participants will be responsible for service charges and

brokerage commissions if American Water elects in the future to use an independent broker-dealer to purchase shares on the open market. Participants will bear the cost of brokerage commissions, related service charges, and any applicable taxes incurred on all sales of shares of American Water common stock made in the open market. These costs will be included as adjustments to sales and purchase prices.

IMPORTANT CONSIDERATIONS

American Water is not recommending that you buy or sell American Water common stock, and American Water is not providing any other investment advice to you. You should participate in the Plan only after you have independently researched your investment decision. The value of American Water common stock purchased pursuant to the Plan may go up or down from time to time. No government agency, nor anyone else, insures Plan accounts or the value thereof.

American Water's Board of Directors authorizes the payment of dividends. Our ability to pay dividends on American Water common stock is subject to having access to sufficient sources of liquidity, net income and cash flows of American Water's subsidiaries, the receipt of dividends and direct and indirect distributions from, and repayments of indebtedness of, American Water's subsidiaries, compliance with Delaware corporate and other laws, compliance with the contractual provisions of debt and other agreements and other factors.

The dividend rate on American Water's common stock is determined by the Board of Directors on a quarterly basis and takes into consideration, among other factors, current and possible future developments that may affect American Water's income and cash flows. When dividends on American Water common stock are declared, they are typically paid in March, June, September and December, although there is no guarantee this will continue to be the case. Historically, dividends have been paid quarterly to holders of record less than 30 days prior to the distribution date. Since the dividends on American Water's common stock are not cumulative, only declared dividends are paid.

The Plan does not have any effect on American Water's dividend policy. American Water makes no representation as to the declaration of future dividends or the rate at which dividends may be paid, since they necessarily depend upon our future earnings, financial requirements and other factors. American Water, on a stand-alone basis, generates no operating income of its own. Accordingly, our ability to pay dividends to our shareholders depends on dividends received from our subsidiaries and other factors. Under applicable law, American Water's subsidiaries may pay dividends on their capital stock or other equity only from retained, undistributed or current earnings. A significant loss recorded at a subsidiary may limit the amount of the dividend that the subsidiary can pay. The ability of American Water's subsidiaries to pay upstream dividends, make other upstream distributions or repay indebtedness to American Water is subject to compliance with applicable corporate, tax and other laws, regulatory restrictions and financial and other contractual obligations, including, for example, (i) regulatory capital, surplus or net worth requirements, (ii) outstanding debt service obligations, (iii) requirements to make preferred and preference stock dividend payments, and (iv) other contractual agreements, covenants or obligations made or entered into by American Water and its subsidiaries.

USE OF PROCEEDS

American Water will use proceeds from its sale of American Water common stock through the Plan for general corporate purposes. American Water will not receive any proceeds from the purchase of shares under the Plan in the public markets or in privately negotiated transactions.

INFORMATION ABOUT AMERICAN WATER

With a history dating back to 1886, American Water is the largest and most geographically diverse, publicly-traded water and wastewater utility company in the United States, as measured by both operating revenues and population served. A holding company originally incorporated in Delaware in 1936, the Company employs approximately 6,700 professionals who provide drinking water, wastewater and other related services to approximately 14 million people in 24 states.

American Water's principal place of business is 1 Water Street, Camden, NJ 08102-1658.

American Water files annual, quarterly and current reports, proxy statements and other information with the SEC. These SEC filings are available to the public at the SEC's website at www.sec.gov and at American Water's Investor Relations website at <https://ir.amwater.com>.

The SEC allows American Water to "incorporate by reference" into this Prospectus the information it files with the SEC. This enables American Water to disclose important information to you by referring you to these documents. The information incorporated by reference is deemed to be part of this Prospectus, and the information American Water files with the SEC after the date of this Prospectus will automatically update, modify and, where applicable, supersede any information included in this Prospectus or incorporated by reference in this Prospectus. American Water incorporates by reference into this Prospectus the following documents filed with the SEC and any future filings that it makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (other than, in each case, documents or information deemed to be furnished and not filed in accordance with SEC rules):

- American Water's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 19, 2025 (File No. 001-34028);
- American Water's Current Reports on Form 8-K, filed with the SEC on February 24, 2025 and February 27, 2025 (File No. 001-34028); and
- The description of American Water's common stock set forth in Amendment No. 1 to American Water's Registration Statement on Form 8-A/A, filed with the SEC on May 1, 2018 (File No. 001-34028), including any amendments or reports filed to update such description (including Exhibit 4.25 to American Water's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 19, 2025).

You may request a copy of these documents at no cost to you by writing to American Water at the following address or by calling the number set forth below:

American Water Works Company, Inc.
1 Water Street
Camden, NJ 08102-1658
Attention: Secretary
contacttheboard@amwater.com
Phone: (856) 955-4001

If you request, orally or in writing, copies of any of the documents incorporated by reference, American Water will send you the copies you requested at no charge. However, American Water will not send exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents.

Any statement contained herein or in a document which is or is deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

LEGAL MATTERS

Jeffrey M. Taylor, American Water's Vice President, Chief SEC Counsel and Secretary, has provided an opinion regarding the validity of the American Water common stock offered by this Prospectus. As of February 25, 2025, Mr. Taylor owned 1,953 shares of American Water's common stock, 2,797 unvested performance stock units (at target) and 847 unvested restricted stock units.

EXPERTS

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2024, have been so

incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

American Water Stock Direct

*A dividend reinvestment
and direct stock purchase
plan for American Water
common stock*

PROSPECTUS

4,214,534 shares

February 27, 2025
